

# MINAL INDUSTRIES LTD

Regd. Office : 603, A – Wing, Minal Complex, Off Sakivihar Road, Andheri (East), Mumbai - 400 072.  
Tel.: 022 40707070 • Fax: 022 28292258 • E-mail: minal\_vjp@rediffmail.com • Website: www.minalindustriesltd.com  
CIN: L32201MH1988PLC216905

Date: 23<sup>rd</sup> September 2016

To,  
Department of Corporate Service (DCS-CRD),  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001.

**Sub.: Compliance as per Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

**Ref.: Minal Industries Limited (Scrip Code:**

Dear Sir,

Please find attached 28<sup>th</sup> Annual Report 2015-2016 duly approved and adopted in the 28<sup>th</sup> Annual General Meeting held on Thursday, 22<sup>nd</sup> September 2016.

Kindly take the same on your record and acknowledge the receipt of the same.

Thanking you,

Yours truly,

FOR MINAL INDUSTRIES LIMITED



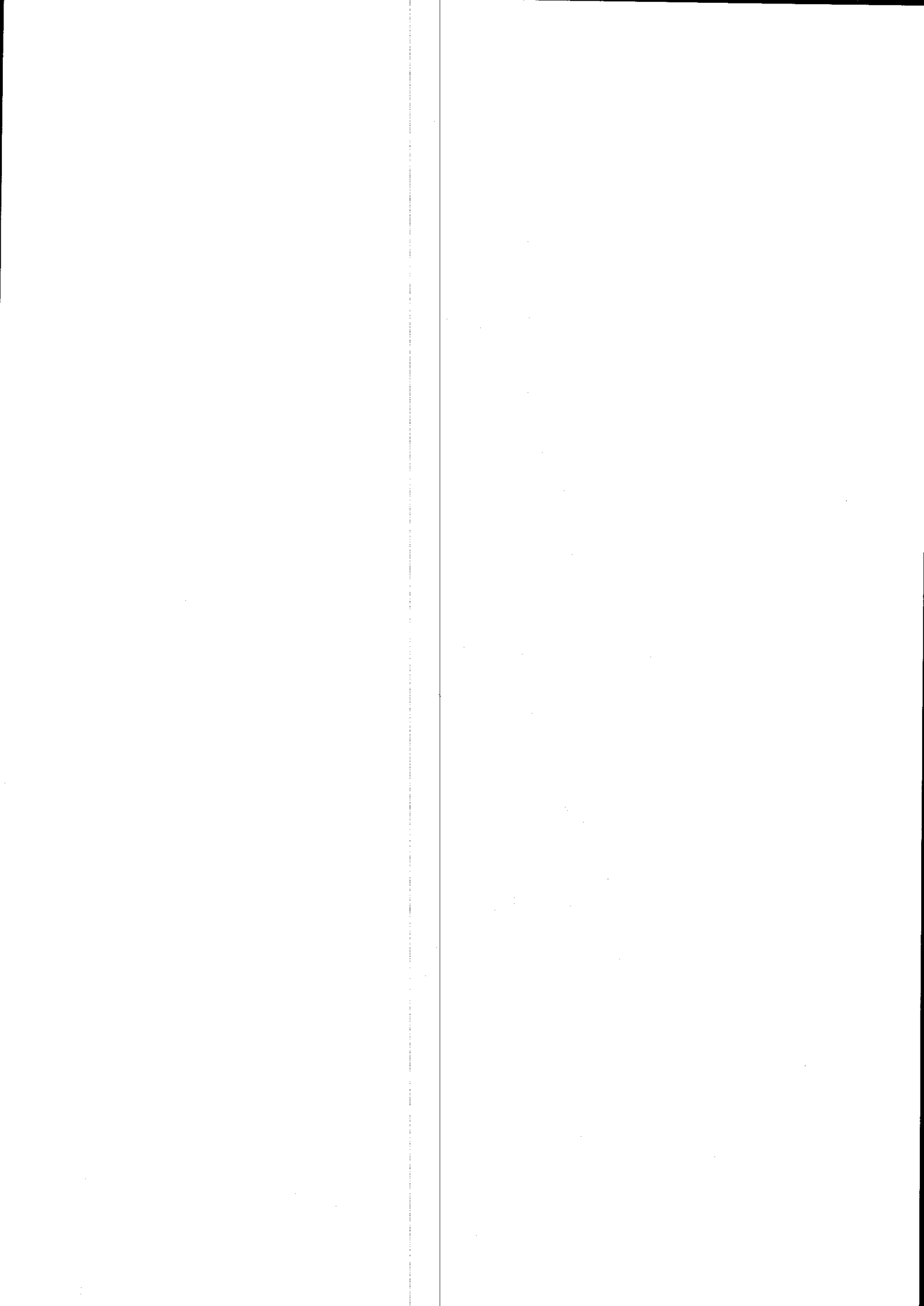
**SHRIKANT JESINGBHAI PARIKH**  
Managing Director  
DIN: 00112642



# **MINAL INDUSTRIES LIMITED**



**28TH ANNUAL  
REPORT 2015-16**



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# MINAL INDUSTRIES LIMITED

603, A - WING,  
MINAL COMPLEX,  
OPP. SAKI VIHAR ROAD,  
ANDHERI (EAST)  
MUMBAI 400072  
CIN: - L32201MH1988PLC216905

Tel No.: -022-40707070  
Web site: - [www.minalindustriesltd.com](http://www.minalindustriesltd.com)  
Email ID: [seepzcm@gmail.com](mailto:seepzcm@gmail.com)

## **BOARD OF DIRECTORS:**

Name	Designation	DIN
Shrikant J. Parikh	Chairman and Managing Director ( <i>KMP</i> )	00112642
Amulbhai Patel	Non-Executive, Independent Director	00183464
Shankar Bhagat	Non-Executive, Independent Director	01359807
Sona Parikh	Non-Executive, Director	03283751

## **BANKERS**

Bank Of India  
University Road  
Post Box No.2, Vadodara 390002

Corporation Bank  
National Plaza, 1st Floor  
R C Dutt Road, Alkapuri, Vadodara 390005

HDFC Bank Ltd  
Arun Complex, 36 Alkapuri Society  
R C Dutt Road, Vadodara 390005

## **AUDITORS**

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

**REGISTERED OFFICE**

603, A- Wing, Minal Complex,  
Opp. Saki Vihar Road,  
Andheri (East)  
Mumbai 400072

**ADMINISTRATIVE OFFICE**

603, A- Wing, Minal Complex,  
Opp. Saki Vihar Road,  
Andheri (East)  
Mumbai 400072

**MCS SHARE TRANSFER AGENT LTD, BARODA**

10, Aram Apartment, 12, Sampatrao Colony,  
B/H Laxmi Hall, Alkapuri, Vadodara 390 007  
Ph:- 0265-2314757 Fax: - 0265-2341639  
Email:- [helpdeskbaroda@mcsregistrars.com](mailto:helpdeskbaroda@mcsregistrars.com)

**Vision and Mission**

Minal Industries Limited was incorporated under the Companies Act in the state of Maharashtra, India, in the year 1988.

Minal Industries Limited is one of the leading Diamantaire and Jewelry & Engineering Company with a wide spread around the world.

The Group of companies are C. Mahendra Infojewels Ltd., Minal Industries Ltd, Minal Lifestyles Pvt. Ltd, Minal Infra Cons Pvt. Ltd., Minal Infrastructure & Properties Pvt. Ltd. C. Mahendra Jewels Pvt Ltd.

Minal Industries Limited is firmly established across the value chain and in all major diamonds and jewelry centers globally.

## NOTICE

Notice is hereby given that the **28<sup>th</sup> Annual General Meeting** of the members of Minal Industries Limited will be held on Thursday the 22nd September, 2016 at 11.00 a.m. at the Registered Office of the Company situated at 603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (East) Mumbai 400072 to transact the following business.

\*\*\*\*\*

### Ordinary Business:

1. To receive, consider and adopt the Financial Statements for the year ended 31st March 2016 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Sona Parikh, who retires by rotation at the ensuing Annual General Meeting of the company and being eligible, offers herself for reappointment.
3. To ratify the appointment of Chartered Accountants, Mumbai as statutory auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT M/s. R. H. Modi & Company, Chartered Accountants, Mumbai registered with the Institute of Chartered Accountants of India vide Firm Registration Number 106486W who were appointed as Statutory Auditors of the Company at the 26<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2014 (hereinafter referred as said AGM) from the conclusion of the said AGM till the conclusion of 31<sup>st</sup> Annual General Meeting to be held in the year 2019, be and is hereby ratified for the financial year 2016-17 to audit the accounts of the Company, including the audit of Cash Flow statements, on a remuneration plus service tax and out of pocket expenses to be mutually decided by the Board in consultation with the Statutory Auditors of the Company.”**

### Special Business

#### **4. RE-APPOINTMENT OF MR. SHRIKANT PARIKH AS MANAGING DIRECTOR:**

**“RESOLVED THAT** in accordance with the provisions of Sections 196,197, Schedule V to the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made hereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), (hereinafter referred to as “the said Act”) the consent of the Company is hereby accorded for the re-appointment of Mr. Shrikant Parikh (DIN 00112642), as a Managing Director with effect from 1st April, 2016 under the Articles of Association of the Company, as the “Managing Director” of the Company for a period of Three years i.e. from 1<sup>st</sup> April, 2016 to 31st March, 2019, on the terms and

conditions of appointment and remuneration as contained in draft agreement, a copy whereof initialled by the Chairman for the purpose of identification is placed before the meeting, and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Shrikant Parikh.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or any such other competent authority.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Shrikant Parikh remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors, subject to necessary sanctions and approvals.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**5. APPROVAL FOR ENTERING INTO RELATED PARTY TRANSACTIONS BY THE COMPANY:**

To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Members be and is hereby accorded to enter into the related party transactions for the Financial Year 2014-15 & 2015-16 by the Company with the respective related parties and for the maximum amounts per annum, as mentioned herein below:

Sr. No.	Nature of Transaction as per Section 188 of the Companies Act 2013	Name of the Director/ KMP who is related and nature of their relationship	Name of the Related Party	Amounts	
				Receipts	Payments
1.	Payment of Rent	Shrikant J. Parikh	Minal plastic product	-	1,20,000
2.	Purchase of diamonds	Shrikant J. Parikh	Minal Jewels	-	2,63,000

RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute

such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

Notes:

1. A Member Entitled To Attend And Vote At The Annual General Meeting Is entitled To Appoint A Proxy To Attend And Vote Instead of Himself/Herself. A proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the Commencement of the meeting. Proxies submitted on behalf of companies, societies etc. must be supported by an appropriate resolution/authority, as applicable. A person shall not act as Proxy for more than 50 members and holding in the aggregate not more than 10 percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than 10 percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
2. During the period beginning 24 hours before the time fixed for the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than three days of notice in writing is given to the Company.
3. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.
4. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the AGM to the Company's Registered Office situated at 603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (East), Mumbai - 400 0072.
5. A route map showing directions to reach the venue of the 28th AGM is given along with this Annual Report as per the requirement of the “Secretarial Standards - 2” on General Meetings.
6. As a measure of austerity, copies of the Annual Report will not be distributed at the AGM. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM. The Register of Contracts or Agreements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 15th September, 2016 to Thursday, 22nd September, 2016 (both days inclusive).
9. Electronic copy of the Notice convening the 28th AGM of the Company, Annual Report along with the Attendance Slip and Proxy Form are being sent to the members who have registered their email ids with the Company / Depository Participant(s). For members who have not registered their email ids, physical copies of the aforementioned documents are being sent in the permitted mode.

10. Members who have not registered their email address so far, are requested to register their email ids for receiving all communications including Annual Report, Notices, etc., from the Company electronically.
11. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 hereinafter referred to as 'Listing Regulations' (including any statutory modification(s) and / or re-enactment(s) for the time being in force), the members are provided with the following alternatives by which they may cast their votes:
- (i) by electronic means through the remote e-voting platform provided by NSDL. The process for voting through e-voting is annexed hereto. The remote e-voting period will commence on Monday, 19th September, 2016 at 9.00 a.m. and will end on Wednesday, 21st September, 2016 at 5.00 p.m. During this period, members of the Company holding shares either in physical or dematerialized form, as on the cut-off date, i.e. Thursday, 15th September, 2016, may cast their vote by remote e-voting. The remote e-voting module will be disabled by NSDL for voting thereafter.
  - (ii) Members who do not have access to remote e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Shri. Nitin Sarfare, Partner of HS Associates, (Membership No. 36769, COP: 13729), at the Registered Office of the Company not later than by 5.00 p.m. on Wednesday, 21st September, 2016. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Thursday, 15th September, 2016 have the option to request for physical copy of the Ballot Form by sending an e-mail to [seepzcm@gmail.com](mailto:seepzcm@gmail.com) or [minal\\_vjp@rediffmail.com](mailto:minal_vjp@rediffmail.com) by mentioning their Folio / DP ID and Client ID No. Ballot Forms received after 5.00 p.m. on Wednesday, 21st September, 2016 will be treated as invalid. A member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a member casts vote by both modes, voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.
  - (iii) The facility of e-voting shall also be made available at the AGM venue for the members who have not cast their votes earlier.
12. Members who have cast their votes by remote e-voting or by Ballot Form prior to the AGM may also attend the Meeting but they shall not be entitled to cast their vote again.
13. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. Thursday, 15th September, 2016.
14. The Securities Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to MCS Share Transfer Agents Limited.
15. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members

holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to MCS Share Transfer Agents Limited., Company's R&T Agent. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

16. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Monday, 19th September, 2016 at 9.00 a.m. and will end on Wednesday, 21st September, 2016 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday 15<sup>th</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	For demat shareholders: Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department.  For physical shareholders, please use the first two letters of your name and the 8 digits of the sequence number in the PAN field.  • In case the sequence number is less than 8 digits enter the

	applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant Minal Industries Limited on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.



xviii. If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.

xix. Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

17. In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

18. If you are already registered with CDSL for e-voting, then you can use your existing user ID and password/ PIN for casting your vote.

19. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

20. Information required under Regulation 36(3) of the Listing Regulations (relating to Corporate Governance) with respect to the Directors retiring by rotation and being eligible seeking re-appointment is as under:

<b>Name of Director</b>	<b>Shrikant Parikh</b>	<b>Sona Parikh</b>
<b>DIN</b>	00112642	03283751
<b>Experience</b>	Having 20 years of experience.	Possessing Financial Expertise
<b>Expertise in specific functional area</b>	Wide managerial experience	Finance and Management Expertise
<b>Board Membership of Companies as on March 31, 2016</b>	<ol style="list-style-type: none"> <li>1. MINAL INDUSTRIES LIMITED</li> <li>2. C MAHENDRA JEWELS PRIVATE LIMITED</li> <li>3. MINAL INFOJEWELS LIMITED</li> <li>4. MINAL INFRASTRUCTURES &amp; PROPERTIES PRIVATE LIMITED</li> <li>5. MINAL LIFESTYLES PRIVATE LIMITED</li> <li>6. MINAL EXIM PRIVATE LIMITED</li> <li>7. TWINKLE LIFESTYLES PRIVATE LIMITED</li> <li>8. AFFINITY INVESTMENTS PRIVATE LIMITED</li> <li>9. MINAL INFRACONS PRIVATE LIMITED</li> <li>10. CLICKS METRO ONLINE PRIVATE LIMITED</li> </ol>	<ol style="list-style-type: none"> <li>1. MINAL INDUSTRIES LIMITED</li> <li>2. MINAL INFOJEWELS LIMITED</li> <li>3. MINAL INFRASTRUCTURES &amp; PROPERTIES PRIVATE LIMITED</li> <li>4. MINAL LIFESTYLES PRIVATE LIMITED</li> <li>5. MINAL EXIM PRIVATE LIMITED</li> <li>6. TWINKLE LIFESTYLES PRIVATE LIMITED</li> <li>7. AFFINITY INVESTMENTS PRIVATE LIMITED</li> <li>8. MINAL INFRACONS PRIVATE LIMITED</li> <li>9. CLICKSMETRO ONLINE PRIVATE LIMITED</li> </ol>
<b>Number of Shares held in the Company as on March 31, 2016</b>	Nil	4000 Shares.

**BY ORDER OF THE BOARD OF DIRECTORS  
FOR MINAL INDUSTRIES LIMITED**

**SD/-  
SHRIKANT PARIKH  
(MANAGING DIRECTOR)  
DIN: 00112642**

Date: 12.08.2016

Place: Mumbai.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013  
(CORRESPONDING TO SECTION 173(2) OF THE COMPANIES ACT, 1956)**

**Item No. 4:**

The Board of Directors has, by a resolution passed at its meeting held on 13th February 2016, re-appointed Mr. Shrikant Parikh as Managing Director for a further term of Three years from 01<sup>st</sup> April 2016 to 31<sup>st</sup> March, 2019.

**TERMS AND CONDITIONS OF APPOINTMENT:**

The Nomination and Remuneration Committee approved the appointment of Shrikant Parikh as the Managing Director of the Company and the same was subsequently placed before the Board of Directors subject to approval of the members at the ensuing General Meeting. Further the Board of directors of the company at their meeting held on 13<sup>th</sup> February 2016 appointed Shrikant Parikh as the Managing Director of the Company for a period of three years effective from 01<sup>st</sup> April 2016 on the terms of appointment and remuneration payable as mentioned below and is subject to the approval of the shareholders and other approvals, if any, as may be necessary.

**MAJOR TERMS OF REMUNERATION OF MR. SHRIKANT PARIKH, MANAGING DIRECTOR.**

1.	Name & Designation of Director	:	Mr. Shrikant Parikh, Managing Director.
2.	Date of appointment	:	01-04-2016
3.	Period	:	3 years. (01 <sup>st</sup> April 2016 to 31 <sup>st</sup> March 2019)
4.	Salary (p.a.)	:	Rs. 1,20,000/- (Rupees One Lakh Twenty Thousand) per annum for the period beginning 01 <sup>st</sup> April 2016 upto the term of his tenure with power to Board to vary from time to time within the limits of schedule V of the Companies Act.
5.	Minimum Remuneration	:	In the absence of or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to Mr. Shrikant Parikh by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to the Mr. Shrikant Parikh shall be the maximum amount permitted as per Schedule V, as amended from

		time to time.
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## **II. PERQUISITES:**

**Mr. Shrikant Parikh, Managing Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.**

- a. Contributions to provident Fund, Superannuation fund or annuity fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.**
- b. Gratuity: as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.**
- c. Encashment of leave at the end of the tenure.**
- d. Children's education allowance: In case of children studying in or outside India, an allowance limited to a maximum of Rs. 12,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a maximum of two children.**
- e. Holiday passage for children studying outside India/family staying abroad: Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad India if they are not residing in India with the managerial person.**
- f. Leave travel concession: Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in home country instead of anywhere in India.**
- g. Medical Reimbursement: The Managing Director will be entitled for medical reimbursement for self & family as per Company policy in force from time to time or as may be otherwise decided by the Board.**

**III) In arriving at the value of the perquisites, in so far as there exists a provision for valuation of such perquisites under the Income Tax Rules, the value shall be determined on the basis of the Income Tax rules in force from time to time.**

**IV) Salary and perquisites specified herein shall be payable to the Managing Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.**

V) The Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Director or committee thereof.

VI) The Managing Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the company.

In view of the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item no.6 of the accompanying Notice for the approval of the Members.

Copy of the Terms and conditions referred to in the Resolution would be available for inspection without any fee to the members at the Registered Office of the Company during normal business hours on any working days, upto and including the date of the Annual General Meeting.

None of the Directors or KMP except Mr. Shrikant Parikh and Mrs. Sona Parikh is interested in the said resolution.

Statement containing required information as per category A of part II of sub section II of the schedule V of the Companies Act, 2013

General Information:

(1) Nature of industry: **Diamantaire and Jewelry & Engineering Company**

(2) Date or expected date of commencement of commercial production: Minal Industries Limited was incorporated on 11/01/1988 under the name and style of MINAL ELECTRA TOOLS PRIVATE LIMITED and on 30<sup>th</sup> September 1993 the Company had changed its name to MINAL ELECTRO TOOLS PRIVATE LIMITED, and on 29<sup>th</sup> October 1993 the Company had changed its name to Minal Electro Tools Limited and on 23<sup>rd</sup> March 2010 the Company changed its name to Minal Engineering Limited and commenced manufacturer, manufacturers' representatives, consignors, consignees, factors, agents, dealers, hirers, repairers, traders, stockiest, suppliers, exporters, importers, engineers, fabricators, machinist of all classes, kinds, types and description of engineering tools, Jigs, dies, fixtures, punch, patents, machineries, parts, components, accessories, sub-assemblies and gauges made of whatever metal and substances and for whatever purpose/use since the date of Incorporation and later on 11<sup>th</sup> September 2007 added to its object clause To carry on business as jewelers, gem-merchants, manufacturers, traders, importers and exporters of and dealers in bullion, gold, platinum, silver and metals of every other description and objects, articles, goods and things of gold, description and objects, articles, goods and things of gold, diamond, gems and other stores or combination thereof

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: **Not Applicable**

- (4) Financial performance based on given indicators: Not Applicable
- (5) Foreign investments or collaborations, if any: Yes, the company has an investment in wholly owned subsidiary MINAL INTERNATIONAL (FZE) and 2 (Two) Associate Company I.e. C. Mahendra Info Jewels Limited and RSBL Jewels

**Other information:**

- (1) **Reasons of loss or inadequate profits:**  
Due to the global decline in trade in the Diamond Sector the Company has been facing a dip in its profits.
- (2) **Steps taken or proposed to be taken for improvement:** The Company is currently waiting for the economy to stabilize and then it would expand its business.
- (3) **Expected increase in productivity and profits in measurable terms:** Over the coming years the company will be seeing a boom phase.

**Information about the appointee and their background details:**

<b>Particulars</b>	<b>Name of Appointee:</b>
	Mr. Shrikant Parikh
<b>Back Ground Details</b>	B.E. Electronics
<b>Past Remuneration</b>	1,20,000 per annum for the period 01 <sup>st</sup> April 2014 to 31 <sup>st</sup> March 2016.
<b>Recognition or Awards</b>	Not Applicable
<b>Job profile and his suitability</b>	He has a good future vision and good managing ability.
<b>Remuneration proposed</b>	10,000 per month (1,20,000 p.a.)
<b>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)</b>	Remuneration is as per the industry norms.
<b>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any</b>	Not - Related

**Item No. 5:**

**Approval for entering into Related Party Transactions by the Company**

Approval for entering into Related Party Transactions by the Company, The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in case of the Company having a paid up share capital of rupees Ten Crore or more, prior approval of the shareholders by way of a Special Resolution must be obtained:

1. Sale, purchase or supply of any goods or materials;
2. Selling or otherwise disposing of, or buying, property of any kind;
3. Leasing of property of any kind;
4. Availing or rendering of any services;
5. Appointment of any agent for purchases or sale of goods, materials, services or property;
6. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company and
7. Underwriting the subscription of any securities or derivatives thereof, of the Company.

The Board of Directors of the Company took note that the Company being in existence for last three decades has developed into a financial institution with efficient systems, competent credit management practices and stringent operational control processes, thus, may extend the required support to its associate Companies.

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013.

**By Order of the Board**

**Shrikant J Parikh**

**DIN: 00112642**

***Chairman and Managing Director***

**Place: Mumbai**

**Date: 12<sup>th</sup> August 2016.**

## DIRECTORS' REPORT

To,  
The Members,  
**MINAL INDUSTRIES LIMITED**

Your Directors have great pleasure in presenting their 28<sup>th</sup> Annual Report along with the Audited Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2016.

### FINANCIAL RESULTS:

The financial Results are briefly indicated below:

	Year ended on 31.03.2016 Rupees	Year ended on 31.03.2015 Rupees
Loss before Depreciation	(85,743,804)	(16,715,291)
Less: Depreciation	700,964	1,472,398
<b>Net Loss before Tax</b>	<b>(86,444,768)</b>	<b>(18,187,689)</b>
Less: Provision for Income Tax	417,239	(418,108)
Add: Provision for Deferred Tax	(3,529)	(207,640)
<b>Net Loss after Tax</b>	<b>(86,858,478)</b>	<b>(17,561,941)</b>
Add: Previous year's profit/Loss brought forward	--	--
<b>Balance Loss carried forward</b>	<b>(86,858,478)</b>	<b>(17,561,941)</b>



## **REVIEW OF FINANCIAL OPERATIONS:**

During the year the company reported a Revenue from operation amounting to Rs. 130,500/- (One lac Thirty Thousand Five Hundred Only) and other Income of Rs. 7,60,94,530/- (Rupees Seven Crore Sixty Lakhs Ninety-Four Thousand Five Hundred and Thirty Only) which includes Write Back of Sundry expense of Rs. 66,820,764/- (Six Crore Sixty-Eight Lakhs Twenty Thousand Seven Hundred and Sixty-Four Only).

The company incurred an expenditure of Rs. 162,687,298/- (Sixteen Crore Twenty-Six Lakhs Sixty-Eight Seven Thousand Two Hundred and Ninety-Eight Only) for the current financial year.

During the year, due to sluggish and adverse market trend your company has reported a net loss of Rs. 86,858,478/- (Rupees Eight Crore Sixty-Eight Lacs Fifty-Eight Thousand Four Hundred and Seventy-Eight Only) as compared to previous year's net loss of Rs. 17,561,941/- (Rupees One Crore Seventy-Five Lacs Sixty-One Thousand Nine Hundred and Forty-One Only)

## **CONSOLIDATED ACCOUNTS:**

The Consolidated Financial Statements of your Company for the financial year 2015-16 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"). The consolidated financial statements have been prepared on the basis of audited financial statements of your Company, its subsidiaries and associate companies, as approved by the respective Board of Directors.

## **TRANSFER TO RESERVES:**

There are no transfers to any specific reserves during the year.

## **SUBSIDIARIES:**

A separate statement containing the salient features of financial statements of all subsidiaries of your Company forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013. The financial statements of the subsidiary companies and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting ('AGM') as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Compliance Officer at the Registered Office of your Company. The financial statements including the consolidated financial statements, financial statements of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of your Company ([www.minalindustriesltd.com](http://www.minalindustriesltd.com)).

The detail of financial performance of Subsidiary/ Joint Venture/Associate Company is furnished in Annexure E and attached to this report.

## **MANAGEMENT DISCUSSION AND ANALYSIS:**

A detailed analysis of the Company's operations in terms of performance in markets, manufacturing activities, business outlook, risks and concerns forms part of the Management Discussion and Analysis, a separate section of this report.

## **DIVIDEND**

Your Directors do not recommend dividend for the year 31st March, 2015 as the company is incurring losses.

## **PUBLIC DEPOSITS:**

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

## **CORPORATE GOVERNANCE REPORT:**

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance, forms an integral part of this report.

## **INDUSTRIAL RELATIONS:**

Your Company has always considered its workforce as its valuable asset and continues to invest in their excellence and development programs. Your Company has taken several initiatives for enhancing employee engagement and satisfaction.

## **CHANGE OF REGISTRAR AND SHARE TRANSFER AGENT:**

The Board of Directors in its meeting passed a Board's resolution for change of RTA from "MCS Limited" to "MCS SHARE TRANSFER AGENTS LIMITED" having its Registered office at 10, Aram Apartment, 12, Sampatrao Colony, B/H Laxmi Hall, Alkapuri, Vadodara 390 007.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Retirement by rotation and subsequent re-appointment:

Mrs. Sona Parikh, Non-Executive Directors, are liable to retire by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and being eligible have offered themselves for re-appointment. Appropriate resolutions for their re-appointment are being placed for your approval at the ensuing AGM. The brief resume of the Directors and other related information has been

detailed in the Notice convening the 28th AGM of your Company. Your Directors recommend her re-appointment as Non-Executive Directors of your Company.

The Independent Directors of your Company hold office upto 31st March, 2019 and are not liable to retire by rotation.

Shri. Shrikant Parikh, Managing Director & CEO is the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

**Disclosure Relating to Remuneration of Directors, Key Managerial Personnel and particulars of Employees:**

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this report.

The Managing Director & CEO of your Company does not receive remuneration from any of the subsidiaries of your Company.

The information pursuant to Section 197 of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 relating to median employee's remuneration will be made available at the registered office of the Company during working hours for a period of twenty-one (21) days before the date of the meeting, i.e. from 01st September, 2015 till 21st September, 2015

**Directors Responsibility Statement:**

Pursuant to Section 134(3)(c) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), the Directors of your Company confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable Accounting Standards and Schedule III of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2016 and of the profit and loss of the Company for the financial year ended 31st March, 2016;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force) for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls laid down by the Directors were followed by your Company and that such internal financial controls are adequate and operating effectively; and
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## **DECLARATION OF INDEPENDENCE:**

In terms of provisions of Section 149(7) of the Companies Act, 2013, all the Independent Directors of the Company have furnished a declaration to the Compliance Officer of the Company at the meeting of the Board of Directors stating that they fulfill the criteria of Independent Director as prescribed under Section 149(6) of the Companies Act, 2013 and are not being disqualified to act as an Independent Director. In terms of Regulation 25 sub-regulation 7 of the SEBI (LODR) Regulations 2015, the Company has adopted a familiarization programme for Independent Directors. Link to file <http://minalindustriesltd.com/01.%20Familiarisation%20Programme%20for%20Independent%20Directors.PDF>

## **\*POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this report. The Managing Director & CEO of your Company does not receive remuneration from any of the subsidiaries of your Company.

## **KEY MANAGERIAL PERSONNEL:**

The Board of Directors of the Company has designated following Director(s)/Official(s) of the Company as Key Managerial Personnel (KMP) of the Company in terms of provisions of Section 203 of the Companies Act, 2013:

1. Mr. Shrikant J Parikh, Managing Director.

No Key Managerial Personnel (KMP) of the Company has resigned during the financial year ended 31 March, 2015.

## **EVALUATION PROCESS:**

The Board of Directors of the Company has established a framework for the evaluation of its own performance and that of its committees and individual Directors of the Company. The certain parameters covering the evaluation of the Chairman, Executive Directors and Independent Directors have been fixed by the Board on the basis of which the evaluation is being carried out on annual basis in terms of provisions of the Companies Act, 2013.

## NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES:

The details of the meetings of the Board of Directors and its Committees, convened during the financial year 2015-16 are given in the Corporate Governance Report which forms a part of this report.

## AUDITORS AND AUDITORS' REPORT:

### Statutory Auditors:

The Statutory Auditors, M/s R H Modi & Company, Chartered Accountants (FRN: 106486W) had been appointed as Statutory Auditors of the Company in the 26<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2014 for a period of 5 (Five) years in terms of provisions of Section 139 of the Companies Act, 2013 to hold office from the 26<sup>th</sup> AGM to the fifth consecutive Annual General Meeting from the 26<sup>th</sup> AGM in the Calendar year 2019 (subject to ratification by the members at every Annual General Meeting).

Therefore, the consent of members for ratification of appointment of Statutory Auditors to hold office from the ensuing Annual General Meeting of the Company till the next Annual General Meeting of the Company in calendar year 2017 is being sought in the ensuing Annual General Meeting.

## REPORT ON FINANCIAL STATEMENTS

There are two (2) qualifications, reservations or adverse remarks or disclaimers made by M/s. R H MODI and Company, Chartered Accountants Statutory Auditors, in their report. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review. The said qualifications are self-explanatory.

## DIRECTORS COMMENTS ON AUDITORS QUALIFICATION:

- a) *Attention is invited to Note No.25 of the statement, relating to valuation of inventories, in respect of stock of polished diamonds at lower of cost or net realizable value, cost or net realizable value is based in technical estimate by the management and certified by the approved valuer. The basis of computing cost used on the consistent basis though in line with generally accepted industry practice is a deviation from the method prescribed by Accounting Standard (AS)-2 'Valuation of Inventories'. The impact of profit for the year, reserves and surplus and inventories as at 31<sup>st</sup> March, 2016, if any due to above deviation is not ascertainable.*

### **Director's Comment:**

***In respect of valuation of stock of polished diamonds at lower of cost or net realizable value, cost or net realizable value is based on technical estimate by the management and certified by an approved***

*valuer. The basis of computing cost is on consistent basis though in line with generally accepted industry practice.*

**Emphasis of Matter**

a) We draw attention to Note No. 26 to the financial statement, relating to non-receipt of one bank statement and bank confirmation for which balance as on 31/03/2016 amounting to Rs. 6,180/- (as on 31/03/2015 Rs. 6,180/-) for which the management had certified there being no transactions during the year we have relied upon the same.

**Director's Comment:**

**There being no transactions during the year in respect of the bank accounts.**

b) We draw attention to Note No. 30(a) to the financial statement, relating to Trade receivables amounting to Rs. 19,71,25,079/- is outstanding for more than three years. However, the management classifies these debts fully recoverable and good and accordingly does not consider it necessary to make any provisions.

**Director's Comment:**

**The management classifies these debts fully recoverable and good and accordingly does not consider it necessary to make any provision.**

c) We draw attention to Note no. 30 (b) to the financial statement, relating to Loans and Advances amounting to Rs. 41,04,826/- is outstanding for more than three years which are doubtful of recovery. However, the management classifies these debts fully recoverable and accordingly does not consider it necessary to make any provision.

**Director's Comment:**

**The management classifies these debts fully recoverable and good and accordingly does not consider it necessary to make any provision.**

d) We draw attention to Note No. 31 to the financial statement, relating to Sundry Balances written back (net) includes debit balances of export receivables amounting to Rs 515,06,39,424/- adjusted against credit balance of import payables amounting to Rs. 521,76,78,02/- both of which were outstanding for more than three years. The write off/ adjustments are subject to approval of Reserve bank of India.

**Director's Comment:**

**The export receivables and import payables outstanding was more than three years and the management was of the view that the same was not receivable / payable hence written off in the books. The amount written off is subject to approval of Reserve Bank of India.**

e) We draw attention to Note No. 33 to the financial statement, relating to the balance confirmation from suppliers, customers as well as to various loans and advances given are not obtained. In view of the same, the

balance of receivables, trade payables as well as loans and advances have been taken as per the books of accounts submitted by the Company and are subject to availability of confirmation from the respective parties.

**Director's Comment:**

**The management does not expect any material difference affecting the current period financial statements on reconciliation/adjustments.**

f) We draw attention to Note No. 34 to the Financial statement, relating to share of loss in partnership firm M/s RSBL Jewels include Rs. 8,47,66,632/- (99% Share). This loss is mainly on account of export receivables outstanding for more than three years. The amount written off is subject to approval of Reserve Bank of India.

**Director's Comment:**

**The export receivables outstanding was more than three years and the management was of the view that the same was not receivable hence written off in the books. The amount written off is subject to approval of Reserve Bank of India.**

g) We draw attention to Note No. 39 to the financial statement, relating to the Company has unabsorbed depreciation and carry forward losses under Tax Laws, in absence of virtual certainty of sufficient future taxable income, Deferred Tax assets has not been recognized by way of prudence in accordance with Accounting Standard 22 – "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India"

**Directors Comment:**

**The management is of the view that in the absence of virtual certainty of sufficient future taxable income, Deferred Tax assets has not been recognised in case of unabsorbed depreciation and carry forward losses**

h) We draw attention to Note No.41 to the financial Statement, relating to non-appointment of whole time Company Secretary and Chief Financial Officer as per Section 203 of the Companies Act, 2013. Therefore, these financials have not been authenticated by a whole time Company Secretary and Chief Financial Officer as per Section 134 of the Companies Act, 2013.

**Directors Comment:**

**During the year the whole time Company Secretary and Chief Financial Officer were not appointed hence the financials has not been authenticated by whole time Company Secretary and Chief Financial Officer, they will be appointed in a short span of time.**

**SECRETARIAL AUDIT:**

The Board has appointed **Mrs. Samata Saraf**, Practicing Company Secretaries as Secretarial Auditor for the Financial Year 2015-16 in terms of provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report of the Company for the financial year ended 31March, 2016 in the prescribed form MR-3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure A** to this report.

## **DIRECTORS COMMENTS ON AUDITORS QUALIFICATION:**

1. *The company has not appointed Company Secretary as required under section 203 read with rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and thus the financial statements have not been authenticated by a whole time Company Secretary under Section 203 of the Companies Act 2013.*
2. *Internal Auditor for the Financial Year 2014 – 2015 as required under section 138 Companies Act , 2013 was not appointed.*

### **Comment for 1 & 2**

*In view of the Carried Forward Losses, the Company Could not find a suitable candidate as Company Secretary and due to meager operations of the Company the Company was not in a position to appoint an Internal Auditor and also the Board is of the opinion that the internal Control of the Company are commensurate with the size of its operations.*

- 3 *The amount of Rs. 90,888/- which was required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and the rules made thereunder had not been transferred to the IEPF.*

*The Company is in the process of transferring the same to IEPF.”*

4. In the Absence of CFO the Company has authenticated the CEO/ CFO Certification as required by Corporate Governance by CEO.

*Due to weak financial operations the Company is not in a position to appoint a CFO.*

## **COST AUDIT:**

In pursuant to Companies (Cost Records and Audit) Amendment Rules, 2014 notified by the Ministry of Corporate Affairs (MCA) on 31 December, 2014, the Company shall not be mandatorily required to get its Cost Records for the financial year 2016-2017 audited in terms of provisions of Section 148 of the Companies Act, 2013 as the Industry under which the Company falls has been exempted from the Cost Audit by MCA vide Companies (Cost Records and Audit) Amendment Rules, 2014. Therefore, the audit of cost records for the financial year ended on 31 March, 2016 has not been undertaken in terms of the Companies (Cost Records and Audit) Amendment Rules, 2014.

## **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return as on 31st March, 2016 in Form MGT - 9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out therewith as **Annexure C** to this report.



## **ADOPTION OF NEW ARTICLES OF ASSOCIATION OF YOUR COMPANY:**

During the financial year 2015-16, new Articles of Association of your Company were adopted in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder.

## **RELATED PARTY CONTRACTS AND ARRANGEMENTS:**

The particulars of the undergoing contracts or arrangements of the Company with related parties during the period under review referred to in Section 188(1) of the Company Act, 2013 were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material in accordance with the related party transaction policy of the Company. The prescribed form AOC-2 of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure D** to this report.

## **LOANS AND INVESTMENTS:**

Details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31st March, 2016, are not given separately and forms part of the Standalone Financial Statement forming part of this report.

## **WHISTLE BLOWER POLICY/ VIGIL MECHANISM:**

In terms of provisions of Section 177 of the Companies Act, 2013, the Company has established an effective mechanism called Vigil Mechanism (Whistle Blower Mechanism). The mechanism under the Policy has been appropriately communicated within the organization. The purpose of this policy is to provide a framework to promote responsible whistle blowing by employees. It protects employees wishing to raise a concern about serious irregularities, unethical behavior, actual or suspected fraud within the Company by reporting the same to the Audit Committee.

Protected disclosure can be made by the whistle blower in a closed and secured envelope or send through e-mail to the Compliance Officer. During the year under review, no employee was denied access to the Audit Committee.

## **CORPORATE SOCIAL RESPONSIBILITY:**

The company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable for the period under review.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:**

The information in accordance with the provisions of Section 134(3) (m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014 is given in **Annexure B** to this Report.

## **INTERNAL AUDITORS:**

Due to weak Financial of the company has not appointed internal auditors as required under Section 138 of the Companies Act 2013.

## **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:**

Minal Industries Limited has a proper and adequate system of internal financial controls which includes the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

## **PARTICULARS OF EMPLOYEES:**

There are no employees in the Company, who if employed throughout the financial year, were in receipt of remuneration, whose particulars if so employed, are required to be included in the report of the Directors in accordance with the provisions of Rule 5 (2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **AUDIT COMMITTEE:**

Pursuant to provisions of Section 177 of the Companies Act 2013 and clause 49 of the Listing Agreement the Audit Committee shall have minimum three directors as member with Independent Directors forming the majority. The Company has duly complied with the said provisions.

Following is the composition of Audit Committee: -

<b>Name of the Member</b>	<b>Designations</b>
Mr. Amulbhai Patel	Chairman & Independent Non-Executive Director
Mr. Shrikant J Parikh,	Member and Executive Director
Mr. Shankar Bhagat	Member & Independent Non-Executive Director

## **RECONCILIATION OF SHARE CAPITAL AUDIT:**

As per the directive of the Securities and Exchange Board of India (SEBI), the Reconciliation of Share Capital Audit is undertaken by a firm of Practicing Company Secretaries on quarterly basis. The audit is aimed at reconciliation of total shares held in CDSL, NSDL and in physical form with the admitted, issued and listed capital of the Company. The Reconciliation of Share Capital Audit Reports as submitted by the Auditor on quarterly basis was forwarded to the BSE Limited, Mumbai where the original shares of the Company are listed.

## **LISTING OF SHARES:**

The Equity Shares of the Company are listed on the:

1. Bombay Stock Exchange Limited, (BSE).
2. Ahmedabad Stock Exchange Limited, (ASE).
3. Vadodara Stock Exchange Limited. (VSE).

The shares of the Company were suspended from trading w.e.f. 21<sup>st</sup> December 2015. The Company is in the process of Revocation of the said order.

#### **DISCLOSURES UNDER SECTION 134 OF THE COMPANIES ACT, 2013:**

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of this report.

#### **COURT/TRIBUNAL ORDERS:**

Except for suspension of Trading by BSE vide order date 21<sup>st</sup> December 2016, there were no instances of any significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

#### **RISK MANAGEMENT POLICY**

The Board has adopted the Risk Management Policy based on the recommendation of the Risk Management Committee in order to assess, monitor and manage risk throughout the Company.

Risk is an integral part of the Company's business, and sound risk management is critical to the success of the organization.

Detailed information on risk management is provided in the Management Discussion and Analysis Report.

#### **ACKNOWLEDGEMENTS**

Your Directors take this opportunity to express their gratitude for the assistance and continued co-operation extended by Banks, Government authorities, clients, and suppliers. The Directors are pleased to record their sincere appreciation for the devotion and sense of commitment shown by the employees at all levels and acknowledges their contribution towards sustained progress and performance of your Company.

By Order of the Board  
For **MINAL INDUSTRIES LIMITED**

Sd/-

**SHRIKANT J PARIKH**  
**(CHAIRMAN)**  
**(DIN 00112642)**

**DATE: 12<sup>th</sup> August 2016.**

**PLACE: MUMBAI.**

# SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended on 31st March, 2016.

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014].

To,  
The Members,  
**MINAL INDUSTRIES LIMITED**  
**603, A - WING, MINAL COMPLEX,**  
**OPP. SAKI VIHAR ROAD,**  
**ANDHERI (EAST) MUMBAI – 400072.**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MINAL INDUSTRIES LIMITED** (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Company**, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit year covering the financial year ended on 31<sup>st</sup> March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**We have examined the books, papers and minute books as mentioned in Annexure I, Forms and returns filed and other records maintained by the Company, for the year ended on 31<sup>st</sup> March, 2016 according to the applicable provisions, if any, of:**

- I. The Companies Act, 1956 and the Companies Act, 2013 (**the Act**) and the Rules made there under, as applicable;
- II. The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were applicable during the period: -
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 -Not applicable for the period under audit.
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015(with effect from 1<sup>st</sup> December, 2015);
- ii) The Listing Agreements entered into by the Company with the BSE Limited.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, and Guidelines, mentioned above subject to the following observations:

1. **The company has not appointed Company Secretary as required under section 203 read with rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and thus the financial statements have not been authenticated by a whole time Company Secretary under Section 203 of the Companies Act 2013.**

2. **Internal Auditor for the Financial Year 2015 – 2016 as required under section 138 Companies Act, 2013 was not appointed.**

3. **The amount of Rs. 90,888/- which was required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and the rules made thereunder had not been transferred to the IEPF.**

4. **In the Absence of CFO the Company has authenticated the CEO/ CFO Certification as required by Corporate Governance by CEO.**

5. **The Company has given loans to group concerns falling within the purview of Section 185 and 186 of the Companies Act 2013.**

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test – check basis, the Company has been operating on a very negligible scale hence no major laws are specifically applicable to the company during the audit period except for SEZ Act 2005 and Income Tax Act 1961.

**We further report that:**

The Board of Directors of the Company is duly constituted, except for the Key Managerial Personnel of the Companies under section 203 of the Companies Act, 2013. There were no changes in the board composition during the period under Audit.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We report that the company had been suspended by BSE with effect from 21<sup>st</sup> December 2015.

**We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.**

We further report that during the audit period the Company has;

- Passed Special Resolution to adopt new set of Articles of Association.
- Passed Special Resolution to accord approval of the Members for entering into Related Party Transactions by the Company.

**Date: 12<sup>th</sup> August 2016.**

**Place: Mumbai**

**Mrs. Samata Saraf  
Proprietor  
ACS No.: 17620  
COP: 6000**

## Annexure B

### CONSERVATION OF ENERGY

Report on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo and forming part of Board's Report for the year ended 31 March, 2016.

**(A) Conservation of Energy:**

**(i) Steps taken or impact on conservation of energy:** The Company is taking adequate steps progressively on conservation of energy.

**(ii) Steps taken by the Company for utilizing alternate sources of energy:** The company is not making use of alternate sources of energy.

**(iii) capital investment on energy conservation equipments:** During the Financial year 2015-2016 the company has not spent amount on capital investment on energy conservation equipments.

**(B) Technology absorption: -**

1.	<b>The efforts made towards technology absorption</b>	The company has installed certain precision equipment's.
2.	<b>The benefits derived like product improvement, cost reduction, product development or import substitution</b>	The installed equipment's has resulted in enhanced production capacity and better quality product at lower power consumption
3.	<b>In case of imported technology (imported during the last three years reckoned from the beginning of the financial year:</b>  <b>a) the details of technology imported</b>  <b>b) the year of import</b>  <b>c) whether the technology been fully absorbed</b>  <b>d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof</b>	The company has not imported technology during the last three financial years.

**C. Foreign Exchange Earnings and Outgo:**

Amount in INR

YEAR	2015-2016	2014-2015
<b>Foreign Exchange earned (CIF value of Imported Goods)</b>	<b>2,78,267</b>	<b>25,81,753</b>
<b>Foreign Exchange spent (FOB value of Exports)</b>	<b>Nil</b>	<b>67,24,552</b>



**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31st March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:	
i) CIN:-	L32201MH1988PLC216905
ii) Registration Date:-	11/01/1988
iii) Name of the Company:-	MINAL INDUSTRIES LIMITED
iv) Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
v) Address of the Registered office and contact details:-	603, A - Wing, Minal Complex Opp. Saki Vihar Road, Andheri (East) Mumbai 400072 <b>Email ID:</b> <a href="mailto:minal_vjp@rediffmail.co.in">minal_vjp@rediffmail.co.in</a> <b>Contact No.:</b> 022-40707070
vi) Whether listed company:-	Yes
vii) Name, Address and Contact details of Registrar and Transfer	<b>MCS SHARE TRANSFER AGENT LTD, BARODA 10, Aram Apartment, 12, Sampatrao Colony, B/H Laxmi Hall, Alkapuri, Vadodara 390 007 Ph:- 0265-2314757 Fax:- 0265-2341639 Email:- <a href="mailto:helpdeskbaroda@mcsregistrars.com">helpdeskbaroda@mcsregistrars.com</a></b>

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Braille Typewriters	28170 of the NIC CODE 2008	88.18%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Minal International FZE (Sharjah)	Licence No. 01-01-07827	Subsidiary	100	2 (87)
2	Minal Infojewels Limited	U36912MH2010PLC267930	Associate	49.4	2 (6)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2015]				No. of Shares held at the end of the year [As on 31-3-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	754852	3900000	114485205	59.66	754852	3900000	114485	59.66	No Change

	05				05		205		ge
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f(i) Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
F(ii) Directors Relative	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (1)</b>	<b>75485205</b>	<b>39000000</b>	<b>114485205</b>	<b>59.66</b>	<b>75485205</b>	<b>39000000</b>	<b>114485205</b>	<b>59.66</b>	<b>No Change</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (2)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Shareholding of promoter (A) = (A) (1) +</b>	<b>75485205</b>	<b>39000000</b>	<b>114485205</b>	<b>59.66</b>	<b>75485205</b>	<b>39000000</b>	<b>114485205</b>	<b>59.66</b>	<b>No Change</b>

(A) (2)									
<b>B. Public Shareholding</b>									
1. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	12500	Nil	12500	0.0065	12500	Nil	12500	0.0065	No Change
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1):-</b>	<b>12500</b>	<b>Nil</b>	<b>12500</b>	<b>0.0065</b>	<b>12500</b>	<b>Nil</b>	<b>12500</b>	<b>0.0065</b>	<b>No Change</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	3198784	18816670	22015454	11.47	3503162	18816670	22319832	11.63	+0.16

ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	582247 5	283913	6106388	3.18	596084 7	283913	62447 60	3.25	+0.07
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	531762 8	430920 00	4840962 8	25.23	485194 6	430920 00	47943 946	24.98	-0.25
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non Resident Indians	103782	Nil	103782	0.05	60183	--	60183	0.03	-0.02
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
HUF	780193	Nil	780193	0.41	834224	Nil	83422 4	0.44	+0.03
Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total</b>	<b>152228</b>	<b>62193</b>	<b>774154</b>	<b>40.34</b>	<b>151003</b>	<b>621925</b>	<b>77402</b>	<b>40.60</b>	<b>+0.2</b>

(B)(2):-	62	2583	45		62	83	945		6
Total Public Shareholding (B)=(B)(1)+(B)(2)	152353 62	62193 2583	774279 45	40.35	151128 62	621925 83	77415 445	40.60	+0.2 6
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	907080 67	10119 2583	191900 650	100	905980 67	101192 583	19190 0650	100	No Chan ge

**(ii) Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Anila Shrikant Parikh	574260	2.99	Nil	574260	2.99	Nil	No change
2	Vikram Parikh	616550	0.32	Nil	616550	0.32	Nil	No change
3	Jesingbhai Badarmal Parikh	691260	36.02	Nil	691260	36.02	Nil	No change
4	Jesingbhai Badarmal Parikh	389920	20.32	Nil	389920	20.32	Nil	No change
5	Akash	4000	0.00	Nil	4000	0.00	Nil	No change

	Vikram Parikh							
6	Sona Akash	4000	0.00	Nil	4000	0.00	Nil	No change
	<b>Total</b>	<b>114485205</b>	<b>59.66</b>	<b>0</b>	<b>114485205</b>	<b>59.66</b>	<b>0</b>	<b>No change</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No Change during the year			
	Change during the year (Purchase)				
	At the End of the year				

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
1.	<b>MAHENDRA CHANDULAL SHAH</b>				
	At the beginning of the year	21000000	10.9432	21000000	10.9432
	Change during the year	No Change	No Change	No Change	No Change
	At the End of the year	21000000	10.9432	21000000	10.9432
2.	<b>CHAMPAK KIRTILAL MEHTA</b>				
	At the beginning of the year	21000000	10.9432	21000000	10.9432

	Change during the year	No Change	No Change	No Change	No Change
	At the End of the year	21000000	10.9432	21000000	10.9432
3.	<b>AANISHKA CONSTRUCTION PVT LTD</b>				
	At the beginning of the year	9829085	5.122	9829085	5.122
	Change during the year	No Change	No Change	No Change	No Change
	At the End of the year	9829085	5.122	9829085	5.122
4.	<b>AANYORA CONSTRUCTION PVT LTD</b>				
	At the beginning of the year	8987585	4.6835	8987585	4.6835
	Change during the year	No Change	No Change	No Change	No Change
	At the End of the year	8987585	4.6835	8987585	4.6835
5.	<b>C MAHENDRA INFRAPOWER LIMITED</b>				
	At the beginning of the year	1264150	0.6588	1264150	0.6588
	Change during the year	No Change	No Change	No Change	No Change
	At the End of the year	1264150	0.6588	1264150	0.6588
6.	<b>RAJESH GHOSH</b>				
	At the beginning of the year	828000	0.4315	828000	0.4315
	Change during the year	No Change	No Change	No Change	No Change
	At the End of the year	828000	0.4315	828000	0.4315
7.	<b>MALAYBHAI SURYAKANT KARBHARI</b>				
	At the beginning of the year	549430	0.2863	549430	0.2863
	Change during the year	No Change	No change	No Change	No change
	At the End of the year	549430	0.2863	549430	0.2863
8.	<b>VIBHABEN MALAYBHAI KARBHARI</b>				
	At the beginning of the year	469565	0.2447	469565	0.2447



	Change during the year	No Change	No Change	No Change	No Change
	At the End of the year	469565	0.2447	469565	0.2447
9.	<b>EL DORADO BIOTECH PRIVATE LTD.</b>				
	At the beginning of the year	454500	0.2368	454500	0.2368
	Change during the year	No Change	No Change	No Change	No Change
	At the End of the year	454500	0.2368	454500	0.2368
10.	<b>VIKRAM KARANRAJ SAKARIA (HUF)</b>				
	At the beginning of the year	336856	0.1755	336856	0.1755
	Change during the year	+50444	+0.0263	+50444	+0.0263
	At the End of the year	387300	0.2018	387300	0.2018

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>MR. SHRIKANT JESINGBHAI PARIKH (D)</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Change during the year	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
2.	<b>MR. AMULBHAI JETHABHAI PATEL (D)</b>				
	At the beginning of the year	16000	0.008	16000	0.008
	Change during the year	No Change	No Change	No Change	No Change
	At the End of the year	16000	0.008	16000	0.008
3.	<b>MR. SHANKAR PRASAD BHAGAT (D)</b>				
	At the beginning of the	Nil	Nil	Nil	Nil

	year				
	Change during the year	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
4.	<b>MRS. SONA AKASH PARIKH (D)</b>				
	At the beginning of the year	4000	0.0021	4000	0.0021
	Change during the year	No Change	No Change	No Change	No Change
	At the End of the year	4000	0.0021	4000	0.0021

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	--	34,64,000	--	34,64,000
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	34,64,000	--	34,64,000
<b>Change in Indebtedness during the financial year</b>				
Additions	--	--	--	--
Deletions	--	--	--	--
Net Change	--	--	--	--
<b>Indebtedness at the end of the financial year</b>				
i)	NIL	34,64,000	--	34,64,000

Principal Amount				
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	34,64,000	--	34,64,000

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	<b>SHRIKANT PARIKH (MANAGING DIRECTOR)</b> 1,20,000.00	1,20,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission as % of profit	Nil	Nil
	- others, specify...	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total (A)	<b>1,20,000.00</b>	<b>1,20,000.00</b>
	Ceiling as per the Act	42,00,000	42,00,000

### B. Remuneration to other directors: Not Applicable

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: Not Applicable

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
OF MINAL INDUSTRIES LIMITED**

**Sd/-**

**SHRIKANT JESINGBHAI PARIKH  
MANAGING DIRECTOR**

**DIN: 00112642**

**DATE: 12<sup>th</sup> August 2016**

**PLACE: MUMBAI.**

**Sd/-**

**SONA AKASH PARIKH  
DIRECTOR**

**DIN: 03283751**

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	MINAL INTERNATIONAL FZE
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2015 to 31.03.2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AED 1AED= 18.0467 INR
4.	Share capital	18,37,500
5.	Reserves & surplus	308871823
6.	Total assets	335044838
7.	Total Liabilities	24335515
8.	Investments	0.00
9.	Turnover	0.00
10.	Loss before taxation	4290749
11.	Provision for taxation	0.00
12.	Loss after taxation	4290749
13.	Proposed Dividend	0.00
14.	% of shareholding	100.00

**Notes:** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

## Annexure D FORM NO. AOC - 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies(Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

### 1. Details of contracts or arrangements or transactions not at arm's length basis:

All transactions are at Arm's Length Price.

### 2. Details of contracts or arrangements or transactions at arm's length basis:

Name of the Related Party & Nature of Relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
Minal plastic product	Rent received of Rs. 1,20,000/-	Annually	N.A.	Nil
Minal Jewels	Purchase of Diamonds Rs. 2,63,000/-	Annually	N.A.	Nil

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

## Part "B": Associates and Joint Ventures

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates / Joint Ventures	C Mahendra Infojewels Limited	RSBL Jewels
1. Latest audited Balance Sheet Date	31 st March, 2016 31 st March, 2016	31 st March, 2016 31 st March, 2016
2. Shares of Associate / Joint Ventures held by the Company on the year end	49.40 %	99.00%
Amount of Investment in Associates / Joint Venture	<b>1,23,50,000.00</b>	<b>(1,905,996)</b>
3. Description of how there is significant influence		
4. Reason why the associate / Joint Venture is not consolidated		
5. Net worth attributable to shareholding as per latest audited Balance Sheet	<b>21,24,24,535</b>	<b>(1,905,996)</b>
6. Profit / Loss for the year	<b>48,47,915</b>	<b>(84407105)</b>
i. Considered in Consolidation	No	No
ii. Not Considered in Consolidation		

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

# **CORPORATE GOVERNANCE REPORT**

## **1) Company's philosophy:**

The Company's philosophy on Corporate Governance finds its roots in the rich legacy of ethical governance practices, many of which were in place even before they were mandated. This philosophy has been sought to be strengthened through the Minal Industries Limited Code of Conduct, code for prevention of Insider Trading which have been adopted. The Company will continue to focus its energies and resources in creating and safeguarding of shareholder's wealth and, at the same time protect the interest of all its stakeholders.

The Securities and Exchange Board of India ("SEBI") on 2nd September, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") with an aim to consolidate and streamline the provisions of the Listing Regulations for different segments of capital markets to ensure better enforceability. The Listing Regulations were effective from 1st December, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within 6 (six) months from the effective date. Your Company has entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited during the month of February, 2016.

## **2) Board of Directors:**

### **2.1 Composition:**

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013. The Board of Directors is chaired by a Non-Executive / Promoter Chairman and has an optimum combination of Executive, Non-Executive and Independent Directors.

As on 31<sup>st</sup> March, 2016 the Board of Directors of the Company comprised of an optimal proportion of Executive and Non-Executive Directors. The Board of Directors of your Company comprised of 4 (Four) Directors out of which 1 (One) is Executive Director, 2 (Two) are Non-Executive Independent Directors, and 1 (One) is Non-Executive Non-Independent Director.

There were no nominees or Institutional Directors in the Company.

None of Directors had pecuniary or Business relationship with the Company except otherwise as mentioned elsewhere in this Annual Report. No Director of the Company was either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he was a Director.

### **Non-Executive Directors:**

As per code of Corporate Governance, the composition of the Board should be as such that the Board of Directors of the Company shall have an optimum combination of executive and non-executive Directors. Since in our case the Chairman of the Board is an executive promoter Director, half of the Board should comprise of independent Directors.



The Board members are expected to attend and participate in the Board meetings and Committee meetings in which they are members.

## 2.2 Board of Directors and Meetings:

During the financial year 2015-16, 4 (Four) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. The Board meets at least once in each quarter to review the quarterly financial results and other items on the Agenda. Additional meetings are held whenever necessary. The dates of the Board meetings are as under:

Date(s) on which meeting(s) were held:	
30 <sup>th</sup> May 2015	14 <sup>th</sup> November 2015
14 <sup>th</sup> August 2015	13 <sup>th</sup> February 2016

All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold Memberships/ Chairmanships more than the prescribed limits across all companies in which he/she is a Director.

The details of attendance at Board Meetings held either in person during the financial year 2015-16 and at the Annual General Meeting (AGM) are detailed below:

Name of the Director (s)	Attendance at the Board Meeting (s)		Attendance at Last Annual General Meeting
	Held	Attended	
SHRIKANT PARIKH	4	4	YES
AMULBHAI PATEL	4	4	YES
SHANKAR BHAGAT	1	1	YES
SONA PARIKH	4	4	YES

The effectiveness of the decision-making of the Board is strengthened by its structure and procedures. The Board of your Company meets at regular intervals, with sufficient notice of the issues and the Agenda to be discussed and backed by the necessary information and material to enable the Directors to discharge their fiduciary responsibilities in an efficient manner. All the deliberations and decision concluded at each meeting are appropriately recorded and minuted. The draft minutes of the Board and its Committees are sent to the members for their comments and then the minutes are entered in the minutes book within 30 days of the conclusion of the meeting. Also as a good governance practice, all the information and data, relevant for the board to understand the business of the Company in general as well as the agenda items circulated to the board are comprehensive in nature.

The board has complete and unrestricted access to any information required by them about transactions and take decisions.

#### Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulation, a separate meeting of the Independent Directors of the Company was held on **13<sup>th</sup> February 2016** to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

#### **Evaluation of the board's Performance:**

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and Part D of Schedule II of the Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2015-16.

Structured questionnaires were prepared to evaluate the performance of the Board as a whole, individual performance of each Director and self – assessment carried out by the Directors. These assessment sheets with respect to the evaluation of the performance of the Directors were based on various aspects which, inter alia, included assessment of the level of participation, understanding of the role and responsibilities, understanding of the business and competitive environment, effectiveness of the contributions made during

the Board meetings, understanding of the strategic issues and challenges for your Company etc. In assessing the overall performance of the Board, the parameters included the assessment of time devoted by the Board on the Company's long term goals and strategies, Board effectiveness, quality of discussions at the meetings of the Board, time spent and quality of discussions on key subjects like risk assessment and minimization, succession planning, discharging fiduciary and governance duties and performance of specific duties.

The Chairman of the Nomination and Remuneration Committee plays a vital role in undertaking the evaluation of performance for the Board and the Directors. The Nomination and Remuneration Committee discussed on the evaluation mechanism, outcome and the feedback received from the Directors. The Independent Directors at their meeting also discussed the performance of the Non-Executive/Promoter Directors including the Chairman of the Board.

The overall outcome of this exercise to evaluate effectiveness of the Board and its Committees was positive and members expressed their satisfaction.

### 2.3 Shareholdings of Directors of the Company:

Name of the Director(s)	Nature of Directorship	No. of Shares held	Percentage to the paid up share capital
SHRIKANT PARIKH	Managing Director/ Chairman/ Promoter	NIL	--
AMULBHAI PATEL	Non-Executive Independent Director	16000	0.008
SHANKAR BHAGAT	Non-Executive Independent Director	NIL	--
SONA PARIKH	Non-Executive Director	4000	0.0021

### FAMILIARISATION PROGRAMME

Your Company has in place a structured induction and familiarization programme for all its Directors including the Independent Directors. Your Company through such programmes familiarizes not only the Independent Directors but any new appointee on the Board with a brief background of your Company, their roles, rights, responsibilities, nature of the industry in which it operates, business model operations, ongoing events, etc. They are updated on all business related issues and new initiatives. They are also informed of the important policies of your Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading.

### **3. Audit Committee**

#### **3.1 Composition:**

The Audit Committee is, inter alia, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors.

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. The Audit Committee meets the Statutory Auditors and the Chief Internal Auditor independently without the management at least once in a year.

The said committee consists of 3 (Three) Members out of which 2 (Two) members are Independent and 1 (one) is Promoter Director.

Date(s) on which meeting(s) were held:	
30 <sup>th</sup> May 2015	14 <sup>th</sup> November 2015
14 <sup>th</sup> August 2015	13 <sup>th</sup> February 2016

The time gap between the two meetings was not more than 120 days.

#### **3.2 Broad terms of reference of the Audit Committee are as per following:**

Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Recommending the appointment, remuneration and terms of appointment of auditors of the company.

Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the board for approval, with particular reference to:

Matters required to be included in Director's Responsibility Statement included in Board's report Changes, if any, in accounting policies and practices and reasons for the same.

Major accounting entries based on exercise of judgment by management significant adjustments made in the financial statements arising out of audit findings compliance with listing and other legal requirements relating to financial statements disclosure of any related party transactions qualifications in the draft audit report

Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

Reviewing, with the management, statement of uses and application of funds raised through an issue, statement of funds utilized for other purposes and report of monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

Review and monitor the auditors' independence and performance, and effectiveness of audit process.

Approval or any subsequent modification of transactions of the company with related parties

Scrutiny of inter-corporate loans and investments.

Valuation of undertakings or assets of the company, wherever it is necessary;

Evaluation of internal financial controls and risk management systems;

Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit

Discussion with internal auditors of any significant findings and follow up there on.

Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

To review the functioning of the Whistle Blower mechanism.

Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications', experience and background etc of the candidate

Carrying out any other function as is mentioned in the terms of reference of the Audit committee.

In fulfilling the above role, the Audit committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice. The draft minutes of the audit committee meetings are circulated among members before the same is confirmed and placed before the Board.

#### **Nomination and Remuneration Committee:**

The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Following is a composition of Nomination and Remuneration committee:

Sr. No.	Committee members	Position in the committee
1	Mrs. Sona Parikh (non –executive Director)	<i>Chairperson</i>
2	Mr. Shankar Bhagat (Independent, non-executive)	<i>Member</i>
3	Mr. Amulbhai Patel (Independent, non-executive)	<i>Member</i>

During the year there was One (1) Nomination and Remuneration Committee Meeting which was held on 13<sup>th</sup> February 2016.

The broad terms of reference of the Nomination and Remuneration Committee are:

- a) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a Policy, relating to the remuneration for the directors, Key Managerial Personnel and other employees;
- b) To identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal
- c) To evaluate performance of Directors, Key Managerial Personnel and senior management and formulate the appropriate performance benchmarks.
- d) To formulate appropriate remuneration policy having balance between fixed and incentive pay according to short term and long term performance objectives.

- e) To formulate specific remuneration packages for executive directors including pension rights and any compensation payment.
- f) Any other matter as may be deemed necessary

**Disclosure on Remuneration of Directors:**

1. All elements of remuneration package of individual directors summarized under major groups, such as salary benefits, bonuses, stock option, pension etc. – **The details are as mentioned below :**
2. Details of fixed component and performance linked incentives, along with the performance criteria - NIL
3. Service contracts, notice period, severance fees – NIL
4. Stock option details, if any – and whether issued at a discount as well as the period over which accrued and over which exercisable – NIL

The details of remuneration paid to Managing Director and Executive Directors & Non – executive Director for the year ended 31st March, 2015.

(in Rs.)						
Sr. No.	Name	Designation	Salary p.a.	Commission	Perquisites	Retirement Benefits
1	Mr. Shrikant Parikh	Managing Director	120,000	Nil	Nil	Nil
2	Mr. Amul Patel	Independent Non-Executive Director	Nil	Nil	Nil	Nil
3	Mr. Shankar Bhagat	Independent Non-Executive Director	Nil	Nil	Nil	Nil
4	Mrs. Sona Parikh	Non-Executive Director	Nil	Nil	Nil	Nil

Following is the list of Independent Non-Executive Directors and their Shareholdings in the Company and Sitting fees paid during the year:

Sr. No.	Name of the Independent Non-Executive Directors	Designation	Number of Equity Shares	Sitting fees
1.	Mr. Amul Patel	Independent Non-Executive	16000	Nil

		Director		(In Rs.)
2.	Mr. Shankar Bhagat	Independent Non-Executive Director	Nil	18,000/-

The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 has been made available for the stakeholders at the Registered office of the Company.

### **Stakeholders Relationship Committee**

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

Committee met Four (4) times during the year:

Date(s) on which meeting(s) were held:	
30 <sup>th</sup> May 2015	14 <sup>th</sup> November 2015
14 <sup>th</sup> August 2015	13 <sup>th</sup> August 2016

### **Details of investor complaints received and resolved during the year 2015-2016.**

- |   |     |
|---|-----|
| 1. Number of Shareholders Complaints received:              | Nil |
| 2. Number of complaints resolved during the year:           | Nil |
| 3. Number not resolved to the satisfaction of shareholders: | Nil |
| 4. Number of pending complaints:                            | Nil |

### **5. CSR Committee:**

The company was not required to constitute CSR Committee.

### **6. Risk Management Committee:**



The company was not required to constitute the Risk Management Committee.

The Name and address of Compliance officer is as per following:

Mr. Shrikant J Parikh (DIN: 00112642)

Compliance Officer

Add: 21, Dhanushya Society,  
Sama Road, Vadodara, 390008

Email Id: seepzcm@gmail.com

### **General Body Meetings:**

Details of last three Annual General Meetings are given below:

Financial Year	Date	Time	Venue	Special Resolution(s)
2012-2013	30-09-2013	11.30 a.m.	603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (east) Mumbai	N.A.
2013-2014	29-09-2014	11.30 a.m	603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (east) Mumbai	N.A.
2014-2015	30-09-2014	11.30 a.m	603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (east) Mumbai	N.A.

During the year 2015-16 no business was transacted by postal ballot. Hence, no information is provided as such.

### **Extra-ordinary General Meetings:**

No Extraordinary General Meeting of the Company was held during the Financial Year ended 31st March, 2016.

## **9. Disclosures:**

### **Related Party Transaction:**

During the year under review, besides the transactions reported elsewhere, there were no other related party transactions of material nature with the promoters, Directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the company at large. All related party transactions are mentioned in the notes to the accounts.

**Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange/SEBI or any statutory authority on any matter related to capital markets during the last three years:** The company has been suspended for trading on the Bse Ltd w.e.f. 21<sup>st</sup> December 2015 and the company is in the process of revoking the suspension.

### **Vigil Mechanism and Whistle-Blower Policy:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been posted on the website of the Company.

The Company has complied with all the mandatory requirements of Regulation 22 of the Listing Regulations.

The Company is in the process of complying with non-mandatory requirements of Corporate Governance in the coming years.

**Disclosure of accounting Treatment:** The Company follows accounting standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and/or by the Institute of Chartered Accountants of India in the preparation of financial statements and has not adopted a treatment different from that prescribed in any accounting standard in general.

**Code of Conduct:** The Board of Directors has adopted the code of conduct for the directors and senior management and the same has been placed on the company's website. All board members and senior management personnel have affirmed compliance with the code of conduct for the period under review.

**CEO/CFO Certification:** In the absence of CFO the managing Director cum CEO of the Company has certified to the Board in accordance with Regulation 17 of the Listing Regulations pertaining to CEO/CFO certification for the financial year ended 31<sup>st</sup> March, 2016 which is annexed separately in Annual report.

### **9. Means of Communication:**

- i Publication of quarterly results: : Quarterly, half-yearly and annual financial results of the Company were published in leading English and vernacular language newspaper.

ii Newspapers wherein results : The quarterly results were published in any one normally published of the prominent English publication such as Free Press Journal and one of the prominent vernacular publication as Navshakti, Mumbai.

iii Any website, where displayed : In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, stock quotes, Annual Report, Quarterly/Half yearly/Nine-months and Annual financial results along with the applicable policies of the Company.

Iv Whether it also displays official news releases Yes

v Stock Exchange: Your Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

vi. The presentation made to : No presentation was made during the year institutional investors or to the either Institutional Investors or to the analysts analysts.

#### 10. General Shareholders Information:

i. AGM: Date, time and venue:

The 28<sup>th</sup> AGM of the Company shall be held on Thursday the 22nd September, 2016 at 11.00 a.m. at the Registered Office of the Company situated at 603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (East) Mumbai 400072.

ii. The Financial calendar:

Financial year : 01<sup>st</sup> April to 31<sup>st</sup> March.

Tentative schedule for declaration of results during the financial year 2016-17.

**The financial calendar is as per following.**

First quarter results (30 <sup>th</sup> June 2016)	12 <sup>th</sup> August 2016
Mailing of Annual Reports	3 <sup>rd</sup> Week of August 2016
Annual General Meeting	22 <sup>nd</sup> September 2016
Payment of Dividend	Not Applicable
Second quarter results (30 <sup>th</sup> September 2015)	On around 14 <sup>th</sup> November 2016
Third quarter results (31 <sup>st</sup> December 2015)	On around 13 <sup>th</sup> February 2017
Fourth quarter / Annual Results	On around 30 <sup>th</sup> May of May 2017

iii. Book closure dates are from Thursday 15<sup>th</sup> September 2016 to Thursday 22<sup>nd</sup> September 2016 (Both days inclusive).

iv. Dividend Payment Date: Not Applicable. As the Company has not declared dividend.

v. Listing on Stock Exchanges: The Company's shares are listed at BSE Ltd (BSE) The Listing Fees for the year 2016-17 is paid in advance.

vi. Stock Code— 522235

Scrip Name: **Minal Industries Limited.**

ISIN: INE097E01028

CIN: L32201MH1988PLC216905

vii. Market price data:

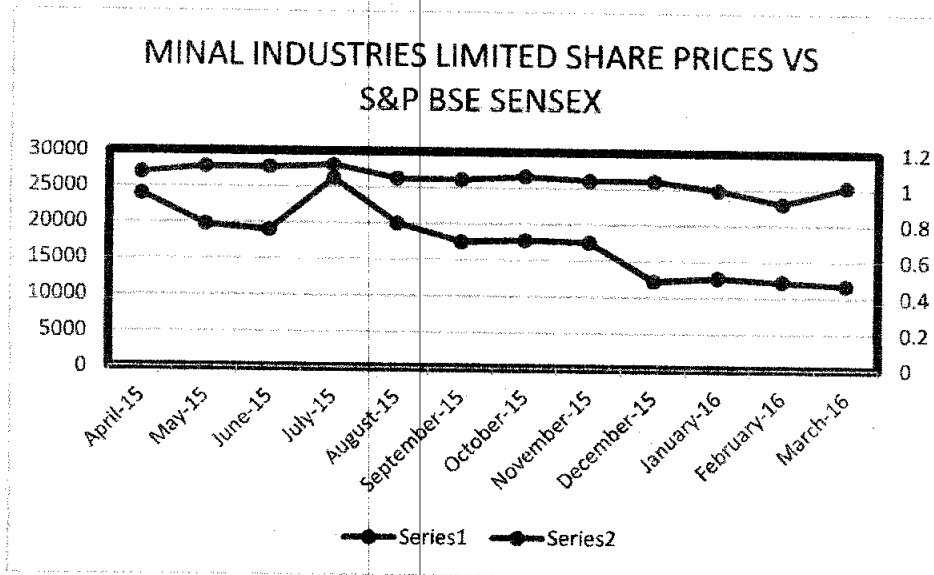
High, lows and volumes of the Company's shares for financial year 2015-16 at BSE

Month	High Price	Low Price
Apr-15	1.36	0.91
May-15	0.93	0.79
Jun-15	0.82	0.64
Jul-15	1.07	0.76
Aug-15	2.31	1.88
Sep-15	0.80	0.62
Oct-15	0.76	0.68
Nov-15	0.80	0.70
Dec-15	0.67	0.49
Jan-16	0.51	0.47
Feb-16	0.53	0.49
Mar-16	0.49	0.47

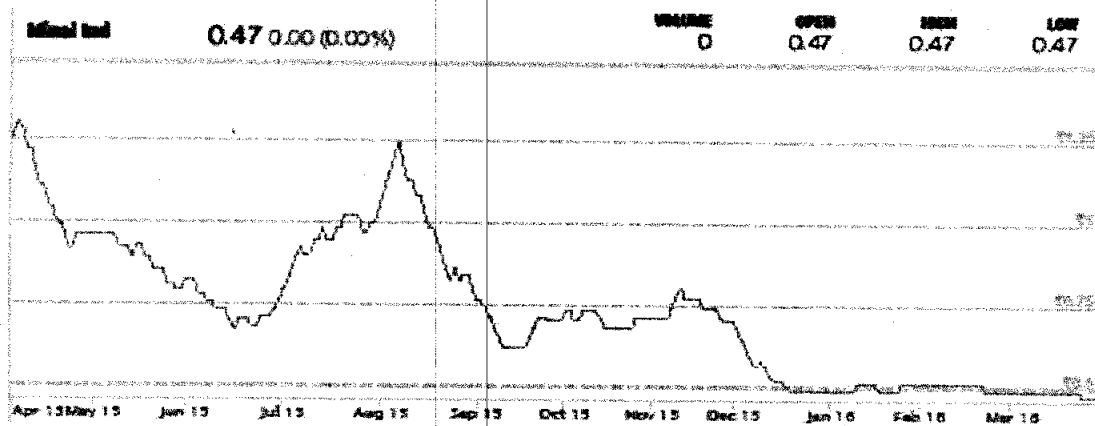
Note: High and low are in rupees per traded share

Volumes is the total monthly volume of trade in number of MINAL INDUSTRIES LIMITED shares

viii. Performance in comparison to broad-based indices such as BSE Sensex:



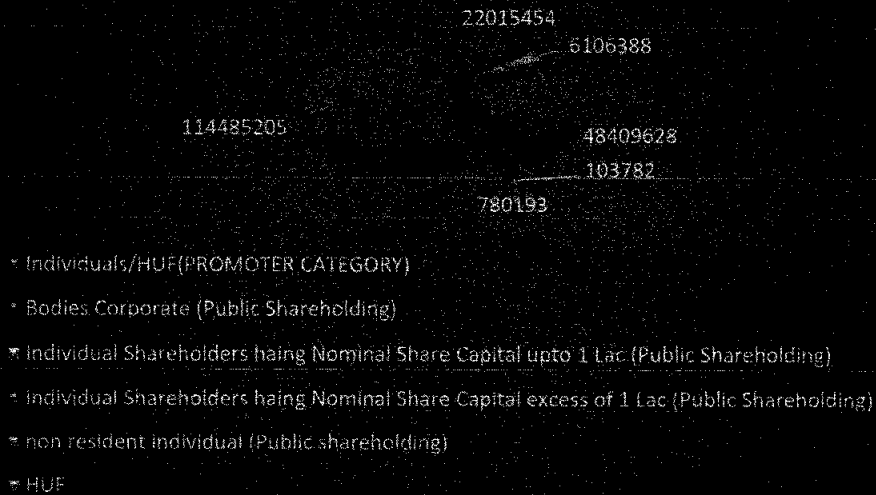
FINANCIAL GRAPH OF MINAL INDUSTRIES LIMITED SHARE PRICE:



## Shareholding pattern as on 31<sup>st</sup> March 2016:

	Category of Shareholder(s)	Total Number of Shares	% of total no. of shares
(A)	Shareholding of Promoter and Promoter Group		
(a)	Individuals /HUF	114485205	59.6586
	Total Shareholding of Promoter and Promoter Group (A)		
(B)	Public Shareholding		
1	Bodies Corporate	22015454	11.4725
2	Individual Shareholders having nominal share Capital upto Rs. 1 Lakh	6106388	3.1821
3	Individual Shareholders Having Nominal Share Capital in excess of Rs. 1 Lakh	48409628	25.2266
4	Non Resident Individuals	103782	0.054
5	HUF	780193	0.4063
	TOTAL (A+ B)	191900650	100.00

### CATEGORY WISE SHAREHOLDING PATTERN AS ON 31ST MARCH 2016



**ix. Registrar and Transfer Agent.**

MCS SHARE TRANSFER AGENT LTD.,  
10, Aram Apartment, 12, Sampatrao Colony,  
B/H Laxmi Hall, Alkapuri,  
Vadodara 390 007

**x. Share Transfer System.**

The Share transfer of Securities in Physical form are registered, duly transferred and dispatched within fifteen days of the receipt, if the transfer documents are in order.

**xi. Distribution of shareholding as on 31<sup>st</sup> March 2016**

Range		Shares	Folios	Percent Shares	Percent Holders
From	To				
1	500	0	0	0	0
501	1000	276480	108	0.1441	5.1223
1001	2000	88416	81	0.461	3.8425
2001	3000	72000	6	0.0375	0.2846
3001	4000	8994385	18	4.6870	0.8539
4001	5000	145000	29	0.756	1.3757
5001	10000	17404	5	0.0091	0.2372
10001	50000	58529	36	0.0305	1.7078
50001	100000	815592	42	0.4250	1.9924
	And Above	181432844	1783	94.5452	84.5825
Total		191900650	2108	100	100

**xii. Dematerialization of shares and liquidity**

The requests for dematerialization of shares are processed by Registrar & Transfer Agent (RTA) expeditiously and the confirmation in respect of dematerialization is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialization of shares generally on weekly basis. In case of rejections the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

			<b>Number of Shares</b>	<b>% of Total Issued Capital</b>
A	Issued Capital	:	191,900,650	100.00%
B	Listed Capital (Exchange wise) (as per Company records)	BSE	191,900,650	100.00%
		ASE	191,900,650	100.00%
		VSE	191,900,650	100.00%
C	Held in Dematerialized form in CDSL	:	80850063	42.13
D	Held in Dematerialized form in NSDL	:	9858004	5.14
E	Physical	:	101192583	52.73
G	Total No. of shares G=(C+D+E)	:	<b>191900650</b>	<b>100.00%</b>
	Reasons for difference if any between (A & B), (A & G) (B& G)		N.A.	

**xiii.** Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity: Not Applicable

**xiv.** Address for correspondence

Shareholders of the company can send correspondence at company's share and Transfer Agent's Office or the registered office of the company situated at following address

**MCS SHARE TRANSFER AGENT LTD.,**  
10, Aram Apartment, 12, Sampatrao Colony,  
B/H Laxmi Hall, Alkapuri,  
Vadodara - 390 007.

**On behalf of the Board of Directors**

**Sd/-**  
**SHRIKANT PARIKH**  
**CHAIRMAN AND MANAGING DIRECTOR.**  
**DIN: 00112642**

**DATE: 12<sup>TH</sup> AUGUST 2016.**  
**PLACE: MUMBAI.**



# **MANAGEMENT DISCUSSION AND ANALYSIS**

## **1. INDUSTRY STRUCTURE AND DEVELOPMENT:**

As there was continuous slowdown in demand from USA and Europe. Development of Asian and domestic markets in the last couple of years has changed the scene. The overall trend of export of Diamond is expected to continue.

## **2. REVIEW OF OPERATIONS:**

The Development of Asian and Domestic market, the trading activities for the cut and polished diamonds are more profitable and presently the company is concentrating on trading and exporting of cut and polished Diamonds only.

## **3. OUTLOOK:**

For the year 2015-16, our focus will continue on sustainable growth by taking measures for increasing our market share of existing products and creating new business in untapped growth market segments in Export Market Though there is sluggish demand in certain sectors and also increased competition from global and domestic players, we expect the trend shown in 2014-15 to continue in the year 2015-16. However, we expect that in some segments the market share of existing product line will increase due to expansion of capacities.

## **4. RISK MANAGEMENT**

Risk evaluation and management is an ongoing process in the company.

## **4. INTERNAL CONTROL SYSTEMS AND ADEQUACY**

Our Internal Audit Dept. is continuously working to improve on Internal Checks and Internal Control Systems in the Organization. We have in place internal control systems in all spheres of activities commensurate with the size of the Company. The internal control is supplemented by effective internal audit being carried out by an external firm of chartered accountants. The Audit Committee of Directors regularly reviews the findings of the Internal Auditors and effective steps to implement the suggestions/observations of the Auditors are taken and monitored regularly. Your Company also has laid down procedures and authority levels with suitable checks and balances encompassing the entire operations of the Company.

## **5. HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

Your company continues to have cordial relations with its employees.

## **6. CAUTIONARY STATEMENT**

Certain statements in this report on “Management's Discussion and Analysis” are forward looking statements and which have been issued as required by applicable Securities Laws and regulations. There are several factors which would be beyond the control of Management and as such, may affect the actual results which could be different from that envisaged.

## **7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

The company recognizes the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them.

The company has provided rent free accommodation to all its staff & workers adjacent to the factory premises of the company. The company enjoyed excellent relationship with workers and staff during the last year. The Company's human resources management strategies supported its Business growth in a challenging economic environment. Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the Organization achieve higher productivity levels.

Employees are encouraged to express their views and are empowered to work independently. Employees are given the opportunity to learn through various small projects which make them look at initiative from different perspectives and thus provide them with a platform to become result oriented.

**By Order of the Board  
For MINAL INDUSTRIES LIMITED**

**Sd/-  
SHRIKANT J PARIKH  
CHAIRMAN  
DIN: 00112642**

**DATE: 12<sup>TH</sup> AUGUST 2016  
PLACE: MUMBAI.**

## CEO/CFO CERTIFICATION

To,  
The Board of Directors,

**MINAL INDUSTRIES LIMITED**  
603, A- Wing, Minal Complex,  
Opp. Saki Vihar Road,  
Andheri (East)  
Mumbai- 400072.

I, Shrikant J Parikh, Managing Director & CEO of the Company hereby certify that in respect of the financial year ended on March 31, 2016.

1. I have reviewed the financial statement and the cash flow statements for the year and that to the best of our knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which I was aware and the steps we have taken or propose to take to rectify these deficiencies.
4. I have indicated to the auditors and the Audit Committee:
  - a. Significant changes, if any, in internal control over financial reporting during the year;
  - b. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and.
  - c. Instances of significant fraud, if any, of which I have become aware and the involvement therein, if any, of management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

**Shrikant J Parikh**  
**Managing Director & CEO**

Date: 12<sup>th</sup> August 2016

Place: Mumbai.

## DECLARATION

**I hereby confirm that:**

the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2016.

**FOR MINAL INDUSTRIES LIMITED**

Sd/-

**Shrikant J Parikh**  
(Managing Director & CEO)

Date: 12<sup>th</sup> August 2016.

Place: Mumbai.

# PRACTISING COMPANY SECRETARIES CERTIFICATE

To

The Members of Minal Industries Limited.

We have examined the compliance of conditions of Corporate Governance by Minal Industries Limited ('the Company'), for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

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

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

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

**Date: 12<sup>th</sup> August 2016**

**Place: Mumbai.**

For HS Associates  
Company Secretaries

Sd/-  
**Mr. Hemant S. Shetye**  
Partner  
FCS No.: 2827  
CP: 1483

**STANDALONE FINANCIAL STATEMENT OF MINAL INDUSTRIES LIMITED  
2015-2016**

**R H MODI & CO.**  
Chartered Accountants

Office No. 4, 1<sup>st</sup> Floor,  
84, Janmabhoomi Marg,  
Fort, Mumbai - 400 001.

**Independent Auditor's Report**

**TO THE MEMBERS OF MINAL INDUSTRIES LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Minal Industries Limited ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of the appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and design, implementation and maintenance of internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

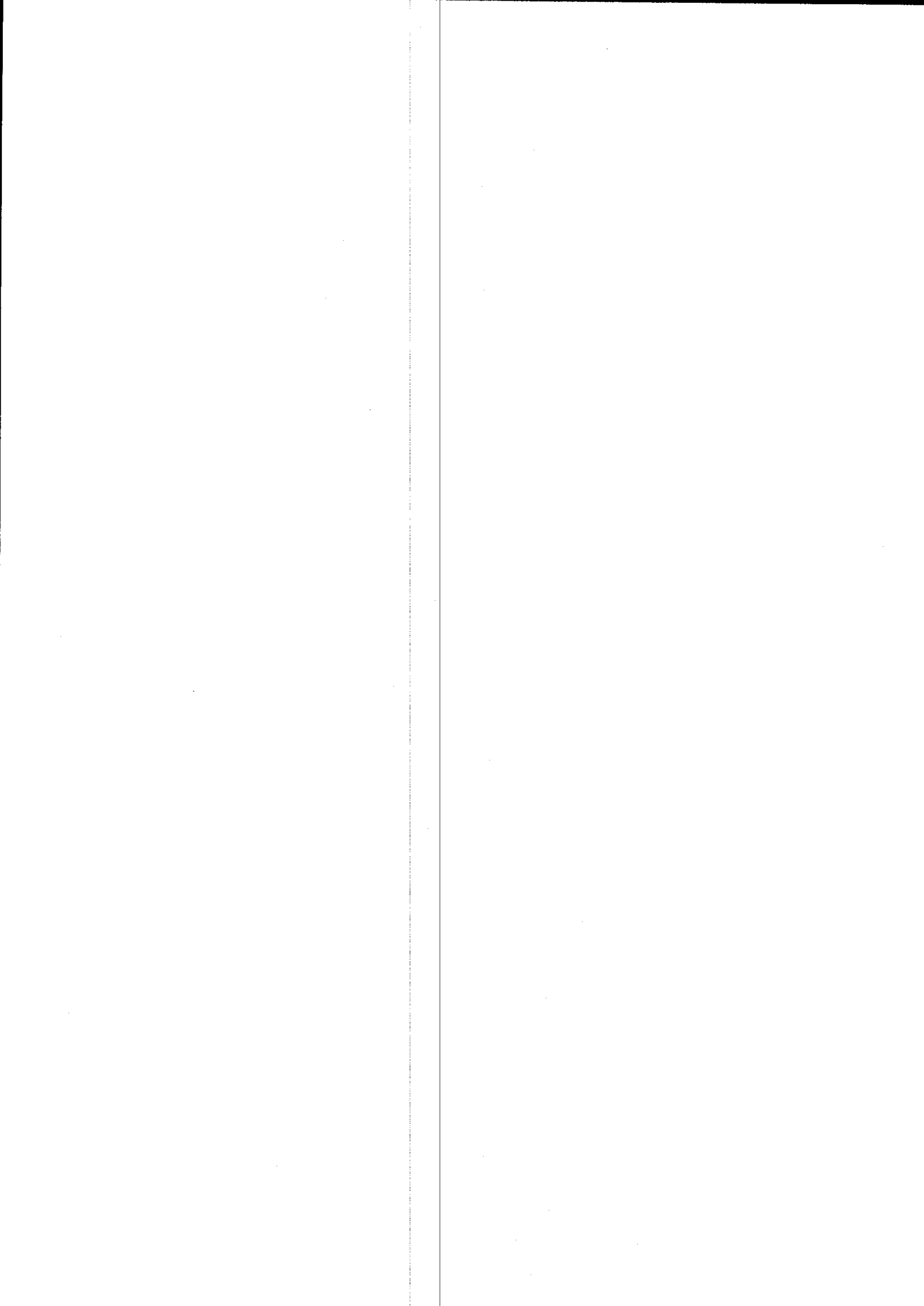
Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financials control relevant to the Company's preparation of the financial statements and give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.





We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Basis for Qualified Opinion**

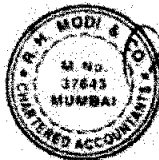
- a) Attention is invited to Note No. 25 to the financial statement, relating to valuation of inventories, in respect of stock of polished diamonds at lower of cost or net realisable value, cost or net realisable value is based on technical estimate by the management and certified by approved valuer. The basis of computing cost used on consistent basis though in line with generally accepted industry practice, is a deviation from the method prescribed by Accounting Standard (AS) - 2 'Valuation of Inventories'. The impact on loss for the year, reserves and surplus and inventories as at 31st March, 2016, if any due to the above deviations is not ascertainable.

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as on 31<sup>st</sup> March, 2016 and its Loss and its cash flows for the year ended on that date.

#### **Emphasis of Matter**

- a) We draw attention to Note No. 26 to the financial statement, relating to non receipt of one bank statement and bank confirmation for which balance as on 31/03/2016 amounting to Rs. 6,180/- (as on 31/03/2015 Rs. 6,180/-) for which the management had certified there being no transactions during the year and we have relied upon the same.
- b) We draw attention to Note no. 30 (a) to the financial statement, relating to Trade receivables amounting to Rs. 19,71,25,079/- is outstanding for more than three years. However The management classifies these debts fully recoverable and good and accordingly does not consider it necessary to make any provision.
- c) We draw attention to Note no. 30 (b) to the financial statement, relating to Loans and Advances amounting to Rs. 41,04,826/- is outstanding for more than three years which are doubtful of recovery. However the management classifies these debts fully recoverable and good and accordingly does not consider it necessary to make any provision.
- d) We draw attention to Note No. 31 to the financial statement, relating to Sundry balances written back (net) includes debit balances of export receivables amounting to Rs.515,06,39,424/- adjusted against credit balance of import payables amounting to Rs.521,76,78,025/- both of which were outstanding for more than three years. The write off / adjustments are subject to approval of Reserve Bank of India.
- e) We draw attention to Note No. 33 to the financial statement, relating to the balance confirmation from suppliers, customers as well as to various loans and advances given are not obtained. In view of the same, the balances of receivables, trade payables as well as loans and advances have been taken as per the books of





accounts submitted by the company and are subject to availability of confirmation from the respective parties.

- f) We draw attention to Note No. 34 to the financial statement, relating to Share of loss in partnership firm M/s RSBL jewels included in Other Expenses which includes Rs. 8,47,66,632/- (99% share). This loss is mainly on account of export receivables outstanding for more than three years. The amount written off is subject to approval of Reserve Bank of India.
- g) We draw attention to Note No. 39 to the financial statement, relating to the Company has unabsorbed depreciation and carry forward losses under Tax Laws, in absence of virtual certainty of sufficient future taxable income, Deferred Tax assets has not been recognised by way of prudence in accordance with Accounting Standard 22 - "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India
- h) We draw attention to Note No. 41 to the financial statement, relating to non appointment of whole time Company Secretary and Chief Financial Officer as per Section 203 of the Companies Act, 2013. Therefore these financial statements have not been authenticated by a whole time Company Secretary and Chief Financial Officer as per Section 134 of Companies Act, 2013.

Our opinion is not qualified in respect of the above matter

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7, Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the Directors as on March 31, 2016 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".



- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 23 to the financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any materials foreseeable losses; and
  - iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company-Refer Note 29 to the financial statements.



For R H Modi & Co.  
Chartered Accountants  
(Firm Reg. No. 106486W)  
*RH*  
R.H.Modi  
Proprietor  
Membership No. : 37643

Place: Mumbai  
Date: 30 MAY 2016

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets:
  - (a) The company has maintained memorandum of records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the Management at reasonable intervals in accordance with the regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanation given to us, in respect of immovable property the title deeds are held in the name of the company.
- ii. As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. The Company has granted loans to two companies covered in the register maintained under section 189 of the Companies Act 2013 ('the Act').
  - (a) In case of loan granted to its wholly subsidiary company, the company has charged interest and loan granted to its associate company is interest free. In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the companies listed in the register maintained under Section 189 of the Act, were not, prima facie, prejudicial to the interest of the Company
  - (b) In the case of the loan granted to wholly owned subsidiary, the terms of arrangement had stipulated the repayment schedule of principal and interest, however the wholly owned subsidiary is not regular in payment of interest and repayment is not as per schedule.
  - (c) The amount overdue for more than 90 days is Rs. 2,43,35,515/-, reasonable steps are being taken by the management for recovery of interest and principal
- iv. In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under
- vi. According to the information and explanations given to us, the maintenance of cost records under Section 148(1) of the Companies Act, 2013 is not applicable in view of rule 3 of the Companies (Cost Records and Audit) Amendment Rules, 2014 and therefore, the provision of clause (vi) of the Order are not applicable to the Company.



vii.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess or other material statutory dues applicable to it with the appropriate authorities except for Profession Tax amounting to Rs. 900/- which remain in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(b) There are no dues of Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax or Cess which have not been deposited on account of any dispute except the following :

Nature of the Statute	Nature of Dues	Period to which it relates	Amount in Rs.	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Assessment Year 1998-99	4,99,230/-	Ahmedabad High Court
Income Tax Act, 1961	Income Tax	Assessment Year 2011-12	1,72,530/-	Commissioner of Income Tax Appeal- Mumbai

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 185 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.



- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Mumbai  
Date : 30 MAY 2016



For R H Modi & Co.  
Chartered Accountants  
(Firm Reg. No. 106486W)  
*R.H. Modi*  
R.H. Modi  
Proprietor  
Membership No. : 37643

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR' REPORT**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Minal Industries Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

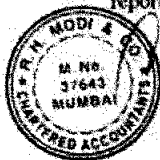
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

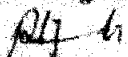
### Opinion

In our opinion, the Company has, in all material respects and adequate internal financial control system and the internal control system adopted by the Company has adequate risk management and assessment system, but in company's perspective the effectiveness of said system is less effective. Further an adequate internal financial control system were operating effectively as of March 31, 2016, however it is required to be strengthened, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Mumbai  
Date : 30 MAY 2016



For R H Modi & Co.  
Chartered Accountants  
(Firm Reg. No. 106486W)

  
R.H.Modi  
Proprietor  
Membership No. : 37643

**MINAL INDUSTRIES LIMITED**  
**BALANCE SHEET as at March 31, 2016**

	Note	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	383,801,300	383,801,300
Reserves and Surplus	3	238,967,008	325,825,481
		<b>622,768,308</b>	<b>709,626,781</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	4	1,506,158	1,509,687
Long Term Provisions	5	27,310	
		<b>1,533,468</b>	<b>1,509,687</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	6	3,464,000	3,464,000
Trade Payables	7	56,503,562	5,277,809,096
Other Current Liabilities	8	1,566,163	1,619,657
		<b>61,533,725</b>	<b>5,282,892,753</b>
<b>Total</b>		<b>685,835,501</b>	<b>5,994,029,221</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	9	11,487,849	12,188,813
Non-Current Investments	10	123,432,004	207,762,148
Long-Term Loans and Advances	11	2,438,428	2,438,428
		<b>137,358,281</b>	<b>222,389,389</b>
<b>Current Assets</b>			
Inventories	12	145,172,268	219,022,334
Trade Receivables	13	197,125,079	5,345,038,999
Cash and Cash Equivalents	14	2,498,573	2,613,733
Short-Term Loans and Advances	15	203,681,300	204,964,766
		<b>548,477,220</b>	<b>5,771,639,832</b>
<b>Total</b>		<b>685,835,501</b>	<b>5,994,029,221</b>

Significant Accounting Policies  
Notes on Financial Statements

1 to 44

AS PER OUR REPORT ATTACHED  
FOR R H MODI & CO.,  
CHARTERED ACCOUNTANTS  
(FIRM REGISTRATION NO : 106486W)

*Alt. H*  
R H MODI  
PROPRIETOR  
MEMBERSHIP NO: 37643  
PLACE : MUMBAI  
DATE : 30 MAY 2016



FOR MINAL INDUSTRIES LIMITED

*[Signature]*  
DIRECTOR

*[Signature]*  
DIRECTOR

PLACE : MUMBAI  
DATE : 30 MAY 2016



**MINAL INDUSTRIES LIMITED**  
**STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2016**

	Note	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
<b>INCOME</b>			
Revenue from Operations	16	148,000	7,038,905
Other Income	17	76,094,530	1,036,625
<b>Total Revenue</b>		<b>76,242,530</b>	<b>8,075,530</b>
<b>Expenses</b>			
Purchases of Stock-in-Trade	18	263,000	2,581,753
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	19	73,850,066	4,932,574
Employee Benefits Expense	20	408,485	1,061,120
Depreciation and Amortisation Expense	9	700,964	1,472,398
Other Expenses	21	87,466,783	16,215,374
<b>Total Expenses</b>		<b>162,687,298</b>	<b>26,263,219</b>
<b>Profit/(Loss) Before Tax</b>		<b>(86,444,768)</b>	<b>(18,187,689)</b>
<b>Tax Expense</b>			
Income Tax:			
Current Year			
Earlier Years		417,239	(418,108)
Deferred Tax Liability/(Assets)		(3,529)	(207,640)
<b>Profit/(Loss) for the Year</b>		<b>(86,858,478)</b>	<b>(17,561,941)</b>
<b>Basic &amp; Diluted Earning Per Share of Rs.2 each</b> <b>(In Rupees) (Previous Year of Rs.2 each)</b>	22	(0.45)	(0.09)

Significant Accounting Policies  
Notes on Financial Statements

I to 44

AS PER OUR REPORT ATTACHED  
FOR R H MODI & CO.,  
CHARTERED ACCOUNTANTS  
(FIRM REGISTRATION NO : 106486W)

*RH Modi*  
R H MODI  
PROPRIETOR  
MEMBERSHIP NO: 37643  
PLACE : MUMBAI  
DATE : 30 MAY 2016



FOR MINAL INDUSTRIES LIMITED

*Manoj*  
DIRECTOR

*Sanjay*  
DIRECTOR

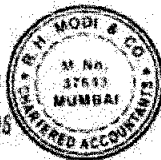
PLACE : MUMBAI  
DATE : 30 MAY 2016

**MINAL INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT for the year ended March 31, 2016**

	Year ended March 31, 2016		Year ended March 31, 2015	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit / (Loss) before tax		(86,444,768)		(18,187,689)
Adjustments for:				
Depreciation	700,964		1,472,398	
Provision for Doubtful Debts			6,386,788	
Interest income	(1,021,792)	(370,828)	(985,328)	6,873,848
Operating profit / (Loss) before working capital changes		(86,765,596)		(11,313,841)
Changes in working capital:				
Increase / (Decrease) in trade payables	(5,221,305,534)		208,290,040	
Increase / (Decrease) in other current liabilities	(53,494)		454,437	
(Increase) / Decrease in trade receivables	5,147,913,920		(209,297,895)	
(Increase) / Decrease in inventories	73,850,066		4,932,574	
(Increase) / Decrease in short-term loans and advances	1,283,466		4,032,995	
(Increase) / Decrease in long-term Provisions	27,310			
(Increase) / Decrease in long-term loans and advances		1,215,734	(2,500)	8,409,651
Operating profit / (Loss) after working capital changes		(85,649,862)		(2,904,190)
Direct taxes paid (net of refund)		(417,239)		418,108
Net cash from operating activities (A)		(85,467,101)		(2,486,082)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of tangible/ intangible assets (including capital work-in-progress)				(21,400)
Purchase of current Trade investments		84,330,149		906,868
Interest received		1,621,792		985,338
Net cash used in investing activities (B)		85,351,941		1,870,806
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in Share Capital & Reserves				0
Proceeds from short-term borrowings				(515,385)
Net cash from financing activities (C)				(515,385)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(115,160)		(1,130,662)
Cash and cash equivalents at the beginning of the year		2,613,733		3,744,395
Cash and cash equivalents at the end of the year		2,498,573		2,613,733
Net increase/ (decrease) in cash and cash equivalents		(115,160)		(1,130,662)
Cash and cash equivalents comprise of:				
Cash on Hand		2,168,060		2,303,791
Bank Balances:				
In Current Accounts		324,513		303,942
In Fixed Deposits		6,000		6,000
Cash and cash equivalents at the end of the year	1 to 44	2,498,573		2,613,733

AS PER OUR REPORT ATTACHED  
 FOR R H MODI & CO.,  
 CHARTERED ACCOUNTANTS  
 (FIRM REGISTRATION NO : 106486W)

R H MODI  
 PROPRIETOR  
 MEMBERSHIP NO: 37643  
 PLACE : MUMBAI  
 DATE : 30 MAY 2016



FOR MINAL INDUSTRIES LIMITED

DIRECTOR DIRECTOR

PLACE : MUMBAI  
 DATE : 30 MAY 2016

**MINAL INDUSTRIES LIMITED**

**I) SIGNIFICANT ACCOUNTING POLICIES.**

**I) BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

These financial statements are prepared in conformity with Indian General Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, provision of the Act (to the extent notified). Accounting policies have been consistently adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**II) REVENUE RECOGNITION:**

Revenue from sale of goods is recognized, when all the significant risks and rewards of ownership are transferred to the buyer, as per the terms of contract and no significant uncertainty exists regarding the amount of consideration that will be derived from sale of the goods. It also includes price variation and excludes value added tax.

**III) FIXED ASSETS**

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

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

**IV) DEPRECIATION**

Depreciation is provided on Straight Line Value Method over the useful life of the assets at the rates and in the manner prescribed under part "C" of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged.

**V) INVESTMENTS**

Investments intended to be held for more than one year are classified as long-term investments and other investments are classified as current investments. Long-term investments are valued at cost less provision, if any, for diminution in value, which is other than temporary. Current investments are valued at the lower of cost or market value of each separate investment. Cost for overseas investments are comprises the Indian rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

**VI) INVENTORIES**

Engineering Division

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

Stores are written off in the year of purchase.



Jewellery Division

Inventories are stated at the lower of cost or net realizable value. Valuation of cut and polished diamonds is certified by management and by approved valuer.

## VII) RETIREMENT BENEFITS

### a) Defined Contribution Plans:

- Contributions payable by the Company to the concerned government authorities in respect of Provident Fund and Employee State Insurance are charged to Profit and Loss account.

### b) Defined Benefit Plan:

The Company's liability towards gratuity and leave salary is determined on the basis of year end actuarial valuation done by an Independent actuary. The actuarial gains or losses determined by the actuary are recognized in the profit and loss account as income or expenses.

## VIII) FOREIGN CURRENCY TRANSACTIONS

In respect of export of goods and services, the transactions in foreign currency are recorded in rupees by applying to the foreign currency amount, the exchange rate prevailing on the date of the transaction. Any excess or shortfall at the time of actual realization is charged to the profit and loss account.

In respect of import of goods and services, the transactions in foreign currency are recorded in rupees by applying to the foreign currency amount, the exchange rate prevailing on the date of the transaction. Any excess or shortfall at the time of actual payment is charged to the profit and loss account.

In respect of import of capital goods, the transaction in foreign currency is recorded in rupees by applying to the foreign currency amount the exchange rate prevailing on the date of transaction. Exchange differences in respect of liabilities incurred and settled within the financial year to acquire fixed assets are charged to the profit and loss account.

Assets and liabilities related to foreign currency transactions other than fixed assets remaining unsettled at the year end are translated at the contract rate, when covered by a foreign exchange contract and at year end rates in other cases. The gains and losses arising on foreign exchange transactions other than those relating to fixed assets are recognized in profit and loss account. Gains and losses arising on foreign exchange transactions relating to fixed assets are charged to the profit and loss account.

## IX) BORROWING COSTS

Borrowing Costs directly attributed to the acquisition of Fixed Assets are capitalised as a part of the cost of asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

All other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.

## X) EARNING PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expenses or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity



shares which could have been issued on the conversion of all dilutive potential equity shares.

**XI) TAXES ON INCOME**

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognized on timing differences between taxable and accounting income / expenditure that originates in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is recognized for unabsorbed depreciation and carry forward losses to the extent there is virtual / reasonable certainty that the sufficient future taxable income will be available against which deferred tax assets can be realized.

**XII) IMPAIRMENT OF FIXED ASSETS:**

Management assess at each balance sheet whether there is any indication that an asset may be impaired. If any such indication exists, it estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction, if any, is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**XIII) PROVISIONS CONTINGENT LIABILITIES AND CONTINGENT ASSETS :**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if :

- a) The Company has a present obligation as a result of past events;
- b) a probable outflow of resources is expected to settle the obligation; and
- c) the amount of obligation can be reliably estimated.

Reimbursement by another party, expected in respect of expenditure required to settle a provision, is recognized when it is virtually certain that reimbursement will be received if the obligation is settled.

Contingent liability is disclosed in the case of :

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) a present obligation arising from past events, when no reliable estimate is possible;
- c) a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognized nor disclosed in the financial statements.



**MINAL INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2016**

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>2. Share Capital</b>		
<b>Authorised</b>		
31,50,00,000 (Previous Year: 31,50,00,000 of Rs. 2 each) Equity Shares of Rs. 2 each	630,000,000	630,000,000
<b>Issued</b>		
19,19,00,650 (Previous Year: 19,19,00,650 of Rs.2 each ) Equity Shares of Rs. 2 each	383,801,300	383,801,300
<b>Subscribed and Paid up</b>		
19,19,00,650 (Previous Year: 19,19,00,650 of Rs.2 each ) Equity Shares of Rs. 2 each	383,801,300	383,801,300
	<b>383,801,300</b>	<b>383,801,300</b>

**(e) Reconciliation of number of shares**

	As at March 31, 2016 No. of Shares	As at March 31, 2015 No. of Shares
Equity Shares		
Balance as at the beginning of the year	191,900,650	191,900,650
Balance as at the end of the year	191,900,650	191,900,650

**(c) Rights, preferences and restrictions attached to shares**

The Company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at March 31, 2016	
	No. of Shares	% holding
<b>Equity Shares</b>		
Jesinghbai Parikh	38,992,000	20.32
Nirvani Trust	69,126,055	36.02
Aanishka Construction Pvt Ltd	9,829,085	5.12
Mahendra Chandulal Shah	21,000,000	10.94
Champak Kirtilal Mehta	21,000,000	10.94
<b>Equity Shares</b>		
Jesinghbai Parikh	38,992,000	20.32
Nirvani Trust	69,126,055	36.02
Aanishka Construction Pvt Ltd	9,829,085	5.12
Mahendra Chandulal Shah	21,000,000	10.94
Champak Kirtilal Mehta	21,000,000	10.94

**3 Reserves and Surplus**

	As at March 31, 2016	As at March 31, 2015
<b>CAPITAL RESERVE</b>		
Balance as per Last year Balance sheet		
State Subsidy	261,231	261,231
Central Subsidy	219,000	219,000
Balance as at the end of the year	<b>480,231</b>	<b>480,231</b>



**MINAL INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2016**

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>INVESTMENT ALLOWANCE RESERVE</b>		
Balance as per Last year Balance Sheet	277,810	277,810
Balance as at the end of the year	<u>277,810</u>	<u>277,810</u>
<b>Capital Reserve</b>		
Balance as per Last year Balance sheet	7,553,000	7,553,000
Add: During the Year		
Balance as at the end of the year	<u>7,553,000</u>	<u>7,553,000</u>
<b>SHARE PREMIUM</b>		
Balance as per Last year Balance sheet	116,729,360	116,729,360
Add: During the Year		
Balance as at the end of the year	<u>116,729,360</u>	<u>116,729,360</u>
<b>REVALUATION RESERVE</b>		
Balance as per Last year Balance sheet	161,883	161,883
Balance as at the end of the year	<u>161,883</u>	<u>161,883</u>
<b>GENERAL RESERVE</b>		
Balance as per Last year Balance sheet	83,392,370	83,392,370
Balance as at the end of the year	<u>83,392,370</u>	<u>83,392,370</u>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	117,230,832	134,478,645
Profit / (Loss) for the year	(86,858,478)	(17,561,941)
Adjustment to carrying value of Fixed Assets (Net of Deferred tax Rs. Nil, Previous Year Rs. 1,40,471/-)		314,129
Balance as at the end of the year	<u>96,372,354</u>	<u>117,230,832</u>
<b>Total</b>	<u>238,987,008</u>	<u>325,825,481</u>
<b>4 Deferred Tax Liability</b>		
Deferred Tax Liabilities:		
on account of Depreciation	1,514,597	1,509,687
on account of Expenses	(8,439)	
Deferred Tax Liability	<u>1,506,158</u>	<u>1,509,687</u>
<b>5 Long Term Provisions</b>		
Provision for Employee Benefits	27,310	-
	<u>27,310</u>	<u>-</u>
<b>6 Short-Term Borrowings</b>		
<b>Unsecured</b>		
Loans:		
From Related party - Directors (Above interest free loan is repayable on demand)	3,464,000	3,464,000
	<u>3,464,000</u>	<u>3,464,000</u>
<b>7 Trade Payables</b>	56,503,562	5,277,809,096
	<u>56,503,562</u>	<u>5,277,809,096</u>
<b>8 Other Current Liabilities</b>		
Unpaid Dividends	189,101	189,101
Advances from Customers	2,300	17,450
Statutory Dues (including Tax Deducted at Source)	37,524	55,624
Other Current Liability	1,357,238	1,357,482
	<u>1,586,163</u>	<u>1,619,657</u>

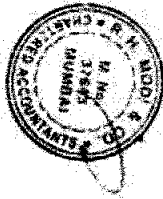


**MINAL INDUSTRIES LIMITED**  
Notes to Financial Statements for the year ended March 31, 2016

**9 Tangible Assets**

Particulars	Gross Block			Depreciation			Net Block	
	As at April 1, 2015	Additions	As at March 31, 2016	As at April 1, 2015	For the Year	Transitional Provision	As at March 31, 2016	As at March 31, 2015
Factory Premises	543,235	-	543,235	-	-	-	543,235	543,235
Leasehold Land	-	-	-	-	-	-	-	-
Factory Building	921,244	-	921,244	595,930	90,696	-	686,626	325,314
Office Premises	10,812,700	-	10,812,700	1,555,602	170,733	-	1,726,335	9,257,098
Plant	5,246,152	-	5,246,152	4,898,064	19,777	-	4,917,841	348,088
Computers & Printers	475,100	-	475,100	434,207	6,777	-	440,984	40,893
Office Equipment	133,828	-	133,828	123,308	3,829	-	127,137	10,520
Furniture and Fixtures	3,540,579	-	3,540,579	2,527,905	343,549	-	2,871,454	1,012,674
Electrical Fitting	928,672	-	928,672	391,458	65,603	-	457,061	537,214
Vehicles	2,275,544	-	2,275,544	2,161,767	-	-	2,161,767	113,777
<b>Total</b>	<b>24,877,054</b>	<b>-</b>	<b>24,877,054</b>	<b>12,688,241</b>	<b>700,964</b>	<b>(454,600)</b>	<b>13,389,205</b>	<b>11,487,849</b>
<b>Previous Year</b>	<b>24,855,654</b>	<b>21,400</b>	<b>24,877,054</b>	<b>11,670,443</b>	<b>1,472,398</b>	<b>(454,600)</b>	<b>12,689,241</b>	<b>12,188,813</b>

Rupees





**MINAL INDUSTRIES LIMITED**

Notes to Financial Statements for the year ended March 31, 2016

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>10 Non-Current Investments</b>		
<b>Trade Investments in Equity Instruments - Unquoted, at Cost</b>		
<b>UNQUOTED</b>		
<b>i) Trade Investment</b>		
<b>i) Subsidiary Companies</b>		
1 Share in Minal International FZE (Sharjah)		
1 Share of 1,50,000 AED each.	1,837,500	1,837,500
	<u>1,837,500</u>	<u>1,837,500</u>
<b>ii) Associate Companies</b>		
1,23,50,000 (Previous Year 1,23,50,000) Equity Shares in Minal Infojewels Limited (Formerly known as C. Mahendra Infojewels Limited) of Rs. 10/- each.	123,500,000	123,500,000
	<u>123,500,000</u>	<u>123,500,000</u>
<b>ii) INVESTMENT IN PARTNERSHIP FIRM</b>		
Capital in M/s RSBL Jewels	(1,905,996)	82,424,148
	<u>(1,905,996)</u>	<u>82,424,148</u>
<b>iii) Non Trade Investment</b>		
1 Share in Sterling Centre Premises Owners Co-op Society Ltd. of Rs. 500/- each.	500	500
	<u>500</u>	<u>500</u>
	<u>123,432,004</u>	<u>267,752,148</u>
<b>Details of Investment in Partnership Firm</b>		
MINAL INDUSTRIES LTD. [Capital Balance of Rs.19,05,996 Dr. (Previous Year 8,24,148 Cr.) with Share of Profit/(Loss) - 99%]		
SHRI MEHUL DINESHKUMAR KOTHARI [Capital Balance of Rs.11,73,581 Cr. (Previous Year 20,26,179 Cr.) with Share of Profit/(Loss)		
<b>11 Long-Term Loans and Advances</b>		
Security Deposits	1,932,475	1,932,475
Mat Credit Entitlement	505,953	505,953
	<u>1,932,475</u>	<u>2,438,428</u>
<b>12 Inventories</b>		
Work-in-Progress	265,827	295,227
Traded Goods	144,906,441	218,727,197
	<u>145,172,268</u>	<u>219,022,334</u>
<b>13 Trade Receivables</b>		
Unsecured, considered good:		
-Outstanding for a period exceeding six months from the date they are due for payment	197,125,079	5,337,662,540
-Others		7,171,459
	<u>197,125,079</u>	<u>5,345,038,999</u>

Trade Receivable includes dues from partnership firm / Company amounting to Rs.3,77,703/- (Previous Year : 3,80,199/-) in which director are partners / director



**MINAL INDUSTRIES LIMITED**

Notes to Financial Statements for the year ended March 31, 2016

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>14 Cash and Cash Equivalents</b>		
Cash and Cash Equivalents		
- Balance with Banks	324,512	303,942
- Cash on Hand	2,168,060	2,303,791
Other Bank Balances		
- In Fixed Deposits	6,000	6,000
	<u>2,498,573</u>	<u>2,613,733</u>
	<u>2,498,573</u>	<u>2,613,733</u>
<b>15 Short-Term Loans and Advances</b>		
[Unsecured, Considered Good (unless otherwise stated)]		
Advance to Related Parties	199,450,749	200,204,482
Other Loans and Advances:		
Balances with Government Authorities		51,041
Advance Income Tax [Net of Provision Rs. NIL (Previous Year : Rs. 4,09,000)]	9,176	426,415
Prepaid Expenses	102,797	147,254
Other Advances	4,118,578	4,135,573
	<u>203,681,300</u>	<u>204,964,766</u>



**MINAL INDUSTRIES LIMITED**

Notes to Financial Statements for the year ended March 31, 2016

	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
<b>16 Revenue from Operations</b>		
Sale of Products:		
Finished Goods	130,500	270,500
Traded Goods	17,500	6,768,405
<b>Total</b>	<b>148,000</b>	<b>7,038,905</b>
<b>Sales of Finished Goods</b>		
Brass Tyewriters	130,500	270,500
<b>Sales of Traded Goods</b>		
Diamonds		6,768,405
Crockery, Articles etc.	17,500	
<b>17 Other Income</b>		
Interest Income on		
Fixed Deposits with Banks ( Gross TDS Rs. NIL P.Y 2,281/-)		22,743
Loan to Subsidiary	1,021,792	962,595
Other Non-operating Income:		
Miscellaneous Income	3	3,287
Rent	48,000	48,000
Sundry Balance W/back(Net)	66,820,764	
Exchange Rate Difference (Net)	8,203,971	
	<b>78,094,530</b>	<b>1,036,625</b>
<b>18 Purchases of Stock-in-Trade</b>		
Purchases of Diamond	263,000	
Purchases of Steel Consumable items		2,581,753
	<b>263,000</b>	<b>2,581,753</b>
<b>19 Changes in Inventories of Finished Goods and Work-in-Progress</b>		
<b>(Increase)/ Decrease in Stocks</b>		
Stock at the end of the year:		
Work-in-progress	265,827	295,227
Traded Goods	144,906,441	218,727,107
	<b>145,172,268</b>	<b>219,022,334</b>
Stock at the beginning of the year:		
Finished Goods		
Work-in-progress	295,227	349,827
Traded Goods	218,727,107	223,605,881
	<b>219,022,334</b>	<b>223,954,908</b>
<b>(Increase)/ Decrease in Stocks</b>	<b>73,850,066</b>	<b>4,932,574</b>
<b>20 Employee Benefits Expense</b>		
Salaries, Wages and Bonus	281,610	940,810
Director Remuneration	120,000	120,000
Staff Welfare Expenses	4,875	310
	<b>406,485</b>	<b>1,061,120</b>



**MIMAL INDUSTRIES LIMITED**

**Notes to Financial Statements for the year ended March 31, 2016**

	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
<b>21 Other Expenses</b>		
<b>Manufacturing Expenses</b>		
Power & Fuel	64,651	74,589
Clearing and Forwarding Expenses	18,966	135,089
Labour Charges	68,770	119,835
Employee Insurance	-	813
Packing Material	120	150
<b>Administrative Expenses</b>		
Bank Charges	100,237	131,225
Repairs:		
Others	2,748	4,700
Rent, Rates and Taxes	1,114,106	1,545,255
Insurance	432,375	335,682
Communication Charges	44,052	11,544
Printing and Stationery	25,006	5,796
Office Expenses	138,249	67,530
Security and Safety Expenses	9,000	9,425
Travelling, Conveyance and Car Expenses	49,458	27,720
Legal and Professional Fees	340,084	220,688
Auditors Remuneration	211,076	180,899
Advertisement Expenses	43,576	57,544
Loss on Foreign Exchange (Net)	-	5,625,806
Annual Listing Fees	397,204	224,720
Share in Loss in Partnership Firm	84,407,105	606,376
Investment written off	-	353,000
Bad and Doubtful debts	-	6,386,788
	<b>87,466,783</b>	<b>16,215,374</b>
<b>22 Earning per Share (EPS)</b>		
Net Loss as per Profit and Loss Account available for Equity Shareholders	(86,858,478)	(17,561,941)
Weighted average number of equity shares for Earning per Share computation	191,900,650	191,900,650
For Basic Earning Per Share of Rs.2 each (P.Y. of 2 each)	(0.45)	(0.09)
For Diluted Earning Per Share of Rs.2 each (P.Y. of 2 each)	(0.45)	(0.09)



Note 23)

**Contingent Liabilities and Commitments**

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
<b>Corporate guarantee given</b>		
Corporate Guarantee given to bank in respect of credit facilities sanctioned to associate company.	12,00,00,000	12,00,00,000
<b>Claims against the Company not acknowledged as debts</b>		
Disputed Income tax liabilities (AY 1998-99)	4,99,230	4,99,230
Disputed Income tax liabilities (AY 2011-12)	1,72,530	1,72,530
Rent payment in Sachin Surat Sez	5,03,712	

Note 24)

**Remuneration to auditors**

	2015-16	2014-15
a) Audit Fees	1,03,050	1,01,124
b) Taxation Matters		
c) Others	1,08,026	79,775
Total	2,11,076	1,80,899

Note 25)

In respect of valuation of stock of polished diamonds at lower of cost or net realizable value, cost or net realizable value is based on technical estimate by the management and certified by an approved valuer. The basis of computing cost is on consistent basis though in line with generally accepted industry practice, is a deviation from the method prescribed by Accounting Standard (AS) - 2 'Valuation of Inventories'.

The impact of profit for the year, reserves and surplus and inventories as at 31st March, 2016, if any due to the above deviations is not ascertainable.

Note 26)

During the year, company has not obtained the bank statements of one bank account for which balance as on 31/03/2016 amounting to Rs. 6,180/- (as on 31/03/2015 Rs. 6,180/-). The management certifies that there being no transactions during the year in respect of the bank accounts. Also bank balance confirmations is not provided by the bank.

Note 27)

Disclosures in respect of defined benefit plans (gratuity) as required under AS-15 (Revised) "Employee Benefits are as under:

**i) Principal assumption used in determining gratuity :**

Particulars	Current Year Rs.
Discount rate at the beginning of the period	7.86%
Expected rate of increase in compensation level	7%



ii) Change in the present value of the benefit obligations :

Particulars	Current Year Rs.
Projected benefits obligations, as at beginning of the period	20,956
Service cost	5,124
Interest cost	1,676
Actuarial (gain) / loss on obligation	(446)
Benefit paid	NIL
Projected benefit obligation end of the period	27,310

iii) Expenses recognized in statement of profit and loss :

Particulars	Current Year Rs.
Current service cost	5,124
Interest cost	1,676
Expected return on plan assets	NIL
Net actuarial gain	(446)
Net periodic cost	6,354

iv) Movement in net liability recognized in balance sheet :

Particulars	Current Year Rs.
Opening net liability	20,956
Expenses as above	6,354
Contribution paid	NIL
Closing net liability	27,310

During the year, the Company has changed its accounting policy by applying the revised Accounting Standard AS - 15 Employee Benefits notified under the Companies (Accounting Standard) Rules, 2006. The Company has provided the gratuity based on actuarial valuation amounting to Rs. 27,310/-. The profit for the year is less to that extent. Previous year figures are not stated as this is the first year of compliance.

Note 28)

The management based on their review of assets and operation of the Company has determined that there is no indication of potential impairment and that the recoverable amount of any of its assets is not lower than its carrying amount. Accordingly no provision for impairment is required as at 31 March 2016.

Note 29)

Other Current liabilities includes the unpaid dividend of Rs. 1,89,101/- which includes a sum of Rs. 90,888/- which is unpaid / unclaimed, for the period of more than seven years and the same is not transferred to Investor Education and Protection Fund which is not in compliance with Section 124 of Companies Act, 2013.



Note 30)

Trade receivables amounting to Rs. 19,71,25,079/- is outstanding for more than three years. The management classifies these debts fully recoverable and good and accordingly does not consider it necessary to make any provision.

- b) Loans and advances receivable amounting to Rs. 41,04,826/- is outstanding for more than three years and the recovery of which is doubtful and the management classifies these debts fully recoverable and good and accordingly does not consider it necessary to make any provision.

**Note 31)**

During the year, Sundry balance w/back (net) includes debit balances of export receivables amounting to Rs. 515,06,39,424/- written off adjusted against credit balances of import payables amounting to Rs. 521,76,78,025/- which were outstanding for more than three years. The write off / adjustments are subject to approval of Reserve Bank of India.

**Note 32)**

In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business and provisions for all the known liabilities and depreciation are adequate and not in excess of the amount reasonably necessary.

**Note 33)**

The balance confirmation from suppliers, customers as well as to various loans and advances given are not obtained, and are subject to availability of confirmation from the respective parties. The management does not expect any material difference affecting the current period financial statements on reconciliation/adjustments.

**Note 34)**

During the year, share of loss in partnership firm M/s RSDL jewels included in Other Expenses which includes Rs. 8,47,66,632/- (99% share). This loss is mainly on account of export receivables outstanding for more than three years. The amount written off is subject to approval of Reserve Bank of India.

**Note 35)**

**Foreign Currency Exposure**

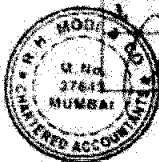
During the year the Company has not entered into any derivative contract. Details of Foreign currency exposure not covered by any derivative instruments are as under :

Particulars	As at 31March, 2016		As at 31March, 2015	
	Amount in Foreign Currency (USD)	Amount in Rs.	Amount in Foreign Currency (USD)	Amount in Rs.
Foreign Currency Receivables	33,74,886	22,10,55,001	8,64,85,351	536,64,16,039
Foreign Currency Payables	8,49,039	5,65,03,562	8,42,02,443	527,78,09,096

**Note 36)**

**Segmental Reporting**

Sr. No.	Particulars	Geographical Segments		
		India	Rest of World	Total
<b>1.</b>	<b>Segment Revenue</b>			
	Sales and Other Income from operations	1,48,000 (2,70,500)	-- (67,68,405)	1,48,000 (70,38,905)
<b>2.</b>	<b>Carrying amount of assets by geographical location of assets</b>			
	Segment Assets	46,47,80,500 (62,57,75,687)	22,10,55,001 (536,82,53,339)	68,58,35,501 (599,40,29,226)
	<b>Additions to fixed assets and intangible assets</b>			
	Addition to fixed assets	-- (21,400)	-- (--)	-- (21,400)



**Notes:**

- i. Secondary segments identified are as per the requirements of Accounting Standard (AS) -17 'Segment Reporting', taking into account the organisation structure as well as the differing risks and returns.
- ii. The segment revenue and total assets includes the revenue and assets respectively, which are identifiable with each segment and amounts allocated to the segments on a reasonable basis.

**Note: 37)**

**Disclosures as required by Accounting Standard (AS) 18 Related party Disclosure**

**a) Name of the related parties and description of relationship :**

Subsidiaries	Minal International FZE - UAE
Associates	Minal Infojewels Ltd (Formerly known as C Mahendra Infojewels Limited) RSBL Jewels Firm
Enterprises over which key management personnel and their relatives are able to exercise significant influence	Minal Electrical & Engineering Minal Plastic Product Minal Jewels (USA) Selection INC (USA) C Mahendra Jewels USA Clicks Metro Online Pvt. Ltd. Minal Exim Pvt. Ltd. Minal Infracons Pvt. Ltd. Minal Infrastructure and Properties Pvt. Ltd. Minal Lifestyles Pvt. Ltd. Twinkle Lifestyles Private Limited
Key Management Personnel	Shri Shrikant Parikh Shri Amalbhaj Jethabhai Patel Shri Shankar Bhagat Mrs. Sona Parikh

**b) Transaction with related parties :**

Related Party	Description of Nature of Transactions	Transactions during the year 2015/2016	Outstanding Balance as on 31/03/2016	Transaction s during the year 2014/2015	Outstanding Balance as on 31/03/2015
<b>A) With Directors</b>					
Shri Shrikant Parikh	i) Remuneration	1,20,000	Cr. 2,81,000	1,20,000	Cr. 1,62,800
	ii) Loan recd	---	Cr. 34,64,000	---	Cr. 34,64,000
<b>B) With Subsidiary</b>					
1) Minal International FZE	i) Loan Given	---	Dr. 2,02,47,884	---	Dr. 1,91,81,392
	ii) Interest on loan	10,21,792		9,62,595	
2) Minal International FZE (Interest A/c.)	i) Loan Given	10,21,792	Dr. 40,87,631	9,62,595	Dr. 30,65,839
<b>C) With Associates</b>					
3) Minal Infojewels Ltd	i) Loan Given	9,55,000	Dr. 17,42,97,576	46,75,029	Dr. 18,14,36,123
	ii) Loan Repaid	37,58,517		3,40,000	

**d) With Enterprises over which key management personnel and their relatives are able to exercise significant influence**





4) Minal Electrical & Engineering	i) Rent Received	48,000	Dr. 10,40,741	48,000	Dr. 9,92,741
5) Minal Plastic Product	i) Rent Paid	1,20,000	Dr. 1,21,120	1,20,000	Dr. 2,41,120
6) Minal Jewels	i) Sales		Dr. 19,67,19,486	---	Dr. 18,61,57,925
	ii) Purchase	2,63,000	Cr. 2,66,200	---	---
7) Selection Inc	i) Purchase	---	Cr. 5,34,00,129	---	Cr. 5,93,42,525
	ii) Sales	---	---	67,68,405	Dr. 71,71,459
8) C Mahendra Jewels (USA)	i) Purchase	---	Cr. 8,37,263	---	Cr. 7,88,546
<b><u>E) With Key Management Personnel</u></b>					
Shri Shankar Bhagat	Professional Fees	---	---	18,000	---

- c) The transactions with related parties have been entered at an amount which is not materially different from those on normal commercial terms.
- d) No amount has been written back / written off during the year in respect of due to / from related parties.
- e) The amount due to / from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.

**Note 38)**

**Lease:**

The Company has entered into a lease agreement for use of office space along with all the other amenities, which is in the nature of operating lease.

Future minimum lease rental payable as at 31/03/2016 as per lease agreement is as follows: -

Future minimum lease payments	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
i. Not later than one year.	4,67,160	9,16,858
ii. Later than one year and not later than five years	NIL	4,58,429
iii. Later than five years	NIL	NIL

The amount of minimum lease payments with respect to the above lease recognized in the profit and loss account for the period is Rs. 10,42,680/- (Previous Year Rs.14,67,074)

**Note 39)**

During the year the Company has accounted for deferred tax except in case of unabsorbed depreciation and carry forward losses under Tax Laws, in absence of virtual certainty of sufficient future taxable income, Deferred Tax assets has not been recognised by way of prudence in accordance with the Accounting Standard 22 - "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India



The break up of deferred tax balance is as under:

Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Opening Deferred Tax Liability on a/c of Depreciation	15,09,687	15,76,856
Less / (Add) : Deferred Tax (Assets) / Liability on a/c of Depreciation	4,910	(67,169)
Less / (Add) : Deferred Tax (Assets) / Liability on a/c of Expenses	(8,439)	—
	(3,529)	(67,169)
<b>Net Deferred Tax Liability</b>	<b>15,06,158</b>	<b>15,09,687</b>

Note 40)

As required by the Notification No. GSR 129(F) dated 22<sup>nd</sup> February, 1999 issued by the Department of Company Affairs, Ministry of Law, Justice and Company Affairs there are no small scale undertakings to which the Company owes sum which is outstanding for more than 30 days. This information has been determined on the basis of information available with the Company. This has been relied upon by the auditors.

Suppliers/Service providers covered under Micro, Small Medium Enterprises Development Act 2006, have not furnished the information regarding filing of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed u/s 22 of the said Act is not given.

Note 41)

During the year, the Company has not appointed whole time Company Secretary and Chief Financial Officer as per Section 203 of the Companies Act, 2013. Therefore these financial statements have not been authenticated by a whole time Company Secretary and Chief Financial Officer as per Section 134 of Companies Act, 2013.

Note 42)

Disclosures under Regulation 34(3) of the SEBI (Listing obligations and Disclosure requirements) Regulation, 2015 :

	Maximum Amount Outstanding as at		(Amount in Rs.) During the year ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
a) Loan made				
Minal International FZE UAE (Subsidiary)	2,43,35,515	2,22,47,231	2,43,35,515	22,47,231
Minal Infojewels Ltd (Associates)	17,71,01,093	18,14,36,123	17,42,97,576	17,101,094
b) Investments made				
Minal International FZE UAE (Subsidiary)	18,37,500	18,37,500	18,37,500	18,37,500
Minal Infojewels Ltd (Associates)	12,35,00,000	12,35,00,000	12,35,00,000	12,35,00,000
a) No investment has been made by the loanee company in the share of the Company.				



Note 43)

	31/03/2016	31/03/2015
A) Expenditure in Foreign Currency (CIF Value of Imported Goods)	2,78,267	25,81,753
B) Earning in Foreign Currency (FOB Value of Exports)	NIL	67,24,552

Note 44)

Previous year's figures have been regrouped or rearranged, wherever considered necessary to conform to current year's presentation. Figures in bracket are in respect of previous year.

AS PER OUR REPORT ATTACHED  
FOR R.H.MODI & CO.  
CHARTERED ACCOUNTANTS  
(FIRM REGISTRATION NO : 106486W)

R.H.MODI  
PROPRIETOR  
MEMBERSHIP NO: 37643  
PLACE: MUMBAI  
DATE: 30 MAY 2016



FOR MINAL INDUSTRIES LTD

*[Signature]*  
DIRECTOR

*[Signature]*  
DIRECTOR

PLACE: MUMBAI  
DATE: 30 MAY 2016

**CONSOLIDATED FINANCIAL STATEMENT OF MINAL INDUSTRIES LIMITED  
2015-2016**

**R H MODI & CO.**  
Chartered Accountants

Office No. 4, 1<sup>st</sup> Floor,  
84, Janabhoomi Marg,  
Fort, Mumbai - 400 001.

**Independent Auditor's Report**

**TO THE MEMBERS OF MINAL INDUSTRIES LIMITED**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Minal Industries Limited** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The management is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements and give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



#### **Basis for Qualified Opinion**

- a) Attention is invited to Note No. 25 to the financial statement, relating to valuation of inventories, in respect of stock of polished diamonds at lower of cost or net realisable value, cost or net realisable value is based on technical estimate by the management and certified by approved valuer. The basis of computing cost used on consistent basis though in line with generally accepted industry practice, is a deviation from the method prescribed by Accounting Standard (AS) - 2 'Valuation of Inventories'. The impact on loss for the year, reserves and surplus and inventories as at 31st March, 2016, if any due to the above deviations is not ascertainable.

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as on 31<sup>st</sup> March, 2016 and its Loss and its cash flows for the year ended on that date.

#### **Emphasis of Matter**

- a) We draw attention to Note No. 26 to the financial statement, relating to non receipt of one bank statement and bank confirmation for which balance as on 31/03/2016 amounting to Rs. 6,180/- (as on 31/03/2015 Rs. 6,180/-) for which the management had certified there being no transactions during the year and we have relied upon the same.
- b) We draw attention to Note no. 30 (a) to the financial statement, relating to Trade receivables amounting to Rs. 56,01,63,929/- is outstanding for more than three years which are doubtful of recovery. However the management classifies these debts fully recoverable and good and accordingly does not consider it necessary to make any provision.
- c) We draw attention to Note no. 30 (b) to the financial statement, relating to Loans and Advances amounting to Rs. 41,04,826/- is outstanding for more than three years which are doubtful of recovery. However the management classifies these debts fully recoverable and good and accordingly does not consider it necessary to make any provision.
- d) We draw attention to Note No. 31 to the financial statement, relating to Sundry balance w/back (net) includes debit balance of export receivables amounting to Rs. 515,06,39,424/- adjusted against credit balance of import payables amounting to Rs. 521,76,78,025/- both of which were outstanding for more than three years. The write off/adjustments are subject to approval of Reserve Bank of India.
- e) We draw attention to Note No. 33 to the financial statement, relating to the balance confirmation from suppliers, customers as well as to various loans and advances given are not obtained. In view of the same, the balances of receivables, trade payables as well as loans and advances have been taken as per the books of accounts submitted by the company and are subject to availability of confirmation from the respective parties.



- f) We draw attention to Note No. 34 to the financial statement, relating to Share of loss in partnership firm M/s RSBL Jewels included in Other Expenses which includes Rs. 8,47,66,632/- (99% share) being export receivables outstanding for more than three years. The amount written off is subject to approval of Reserve Bank of India.
- h) We draw attention to Note No. 39 to the financial statement, relating to the Company has unabsorbed depreciation and carry forward losses under Tax Laws, in absence of virtual certainty of sufficient future taxable income, Deferred Tax assets has not been recognised by way of prudence in accordance with Accounting Standard 22 - "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India
- i) We draw attention to Note No. 41 to the financial statement, relating to non-appointment of whole time Company Secretary and Chief Financial Officer as per Section 203 of the Companies Act, 2013. Therefore these financial statements have not been authenticated by a whole time Company Secretary and Chief Financial Officer as per Section 134 of Companies Act, 2013.

Our opinion is not qualified in respect of the above matter

#### Other Matters

We did not audit the financial statements of Minal International FZE (the subsidiary company, whose financial statements reflects total assets of Rs.33,50,44,838/- as at 31 March 2016, total revenue (net turnover) of Rs. NIL for the year ended on that date as considered in the Consolidated Financial Statement. The financial statements and other financial information have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosure included in respect of the said subsidiary, is based solely on the report of the other auditor.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.



- e) On the basis of written representations received from the Directors as on March 31, 2016 taken on record by the Board of Directors of the Holding Company, none of the Directors of the Holding Company is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting and operating effectiveness of such controls, refer to our separate report in "Annexure A", and
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements - Refer Note 23 to the consolidated financial statements;
  - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company - Refer Note 29 to the consolidated financial statements.

Place : Mumbai  
Date : 30 MAY 2016



For R.H. Modi & Co.  
Chartered Accountants  
(Firm Reg. No. 106486W)  
*R.H. Modi*  
R.H. Modi  
Proprietor  
Membership No. : 37643

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR' REPORT OF EVEN DATE  
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MINAL INDUSTRIES  
LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section  
143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company for the year ended March 31, 2016. We have audited the internal financial controls over financial reporting of Minal Industries Limited (hereinafter referred to as "the Holding Company"), as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. These Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.





We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Holding Company has, in all material respects and adequate internal financial control system and the internal control system adopted by the Company has adequate risk management and assessment system, but in company's perspective the effectiveness of said system is less effective. Further an adequate internal financial control system were operating effectively as of March 31, 2016, however it is required to be strengthened, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Mumbai  
Date : 30 MAY 2016



For R H Modi & Co.  
Chartered Accountants  
(Firm Reg. No. 106486W)

R.H.Modi  
Proprietor  
Membership No. : 37643

**MINAL INDUSTRIES LIMITED**  
**CONSOLIDATED BALANCE SHEET as at March 31, 2016**

	Note	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	383,801,300	383,801,300
Reserves and Surplus	3	547,838,836	620,024,252
		<b>931,640,136</b>	<b>1,003,825,552</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	4	1,506,158	1,509,683
Long Term Provisions	5	27,310	
		<b>1,533,468</b>	<b>1,509,683</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	6	3,464,000	3,464,000
Trade Payables	7	84,532,603	5,304,170,832
Other Current Liabilities	8	1,611,274	1,662,090
		<b>89,607,877</b>	<b>5,309,296,922</b>
<b>Total</b>		<b>1,022,781,481</b>	<b>6,314,632,157</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	9	11,487,819	12,188,813
Non-Current Investments	10	121,594,504	205,524,648
Long-Term Loans and Advances	11	2,438,428	2,438,428
		<b>135,520,781</b>	<b>220,551,889</b>
<b>Current Assets</b>			
Inventories	12	145,172,268	219,022,334
Trade Receivables	13	560,163,930	5,689,498,542
Cash and Cash Equivalents	14	2,578,717	2,841,852
Short-Term Loans and Advances	15	179,345,785	182,717,540
		<b>887,260,700</b>	<b>6,094,080,268</b>
Branch Balance			
<b>Total</b>		<b>1,022,781,481</b>	<b>6,314,632,157</b>

Significant Accounting Policies  
Notes on Financial Statements

1 to 43

**AS PER OUR REPORT ATTACHED  
FOR R H MODI & CO.,  
CHARTERED ACCOUNTANTS  
(FIRM REGISTRATION NO : 106486W)**

**R H MODI  
PROPRIETOR  
MEMBERSHIP NO: 37643  
PLACE : MUMBAI  
DATE : 30 MAY 2016**



**FOR MINAL INDUSTRIES LIMITED**

**DIRECTOR DIRECTOR**

**PLACE : MUMBAI  
DATE : 30 MAY 2016**

**MINAL INDUSTRIES LIMITED**  
**Consolidated CASH FLOW STATEMENT for the year ended March 31, 2016**

	Year ended March 31, 2016		Year ended March 31, 2015	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit / (Loss) before tax		(90,735,517)		(31,555,041)
Adjustments for:				
Depreciation	780,964		1,472,595	
Provision for Doubtful Debts			6,390,788	
Interest income	(1,021,252)	(128,828)	(22,243)	7,334,443
Operating profit / (Loss) before working capital changes		(81,056,345)		(23,718,598)
Changes in working capital:				
Increase / (Decrease) in trade payable	(5,219,638,729)		209,257,809	
Increase / (Decrease) in other current liabilities	(50,810)		457,894	
Increase / (Decrease) in Long Term Provisions	27,310			
(Increase) / Decrease in trade receivables	5,129,334,612		(215,885,145)	
(Increase) / Decrease in inventories	73,830,000		4,932,374	
(Increase) / Decrease in short term loans and advances	3,371,755		11,948,081	
(Increase) / Decrease in long term loans and advances		(13,105,302)	(2,505)	9,206,813
Operating profit / (Loss) after working capital changes		(104,161,647)		(14,011,789)
Direct taxes paid (net of refund)		(417,235)		418,108
Net cash from operating activities (A)		(104,578,886)		(13,593,677)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of tangible/ intangible assets (including capital work-in-progress)				(21,400)
Investment in Partnership Firm	84,130,144			908,360
Interest received	1,021,792			22,747
Net cash used in investing activities (B)		85,351,936		908,211
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in Share Capital & Reserves	18,963,813			11,350,261
Proceeds from short-term borrowings				(815,365)
Net cash from financing activities (C)		18,963,813		10,534,896
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(263,135)		(1,858,690)
Cash and cash equivalents at the beginning of the year		2,841,852		4,691,542
Cash and cash equivalents at the end of the year		2,578,717		2,841,852
Net increase/ (decrease) in cash and cash equivalents		(263,135)		(1,858,690)
Cash and cash equivalents comprise of:				
Cash on Hand		2,744,016		2,431,225
Bank Balances:				
In Current Accounts		328,695		904,627
In Fixed Deposits		5,000		6,302
Cash and cash equivalents at the end of the year		2,578,717		2,841,852

AS PER OUR REPORT ATTACHED  
FOR R. H. MODI & CO.,  
CHARTERED ACCOUNTANTS  
(FIRM REGISTRATION NO : 106486W)

R. H. MODI  
PROPRIETOR  
MEMBERSHIP NO: 37643  
PLACE : MUMBAI  
DATE : 30 MAY 2015



FOR MINAL INDUSTRIES LIMITED

*[Signature]*  
DIRECTOR

PLACE : MUMBAI  
DATE : 30 MAY 2015

**MINAL INDUSTRIES LIMITED**

**NOTES ON ACCOUNTS FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR END: 31<sup>st</sup> MARCH 2016**

**I STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**I) Basis of Consolidation**

a. The Consolidated financial statements relate to Minal Industries Limited ('the company'), and its subsidiary company. The Consolidated financial statement has been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary company have been combined on line-by-line basis by adding together the value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit and loss.
- ii) The Consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting Standards specified under Section 133 of the Companies Act 2013 as applicable. The consolidated financial statements are presented in Indian rupees.
- iii) The excess of the cost to the parent of its investment in the subsidiary entities over its share of the equity in the subsidiary entities at the dates on which the investments are made is recognised in the financial statements as 'Goodwill'. The excess of parent's share of equity in consolidated subsidiary entities as on the date of investments in excess of the cost of investment is recognised in the consolidated financial statements as 'Capital Reserve' and shown under the head 'Reserves and Surplus'.

b. Financial Statements of Foreign Subsidiary – Minal International FZE have been converted in Indian Rupees at the year end rates.

c. The subsidiaries considered in the consolidated financial statements are:

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

**II) REVENUE RECOGNITION:**

Revenue from sale of goods is recognized, when all the significant risks and rewards of ownership are transferred to the buyer, as per the terms of contract and no significant uncertainty exists regarding the amount of consideration that will be derived from sale of the goods. It also includes price variation and excludes value added tax.

**III) FIXED ASSETS**

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

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



#### IV) DEPRECIATION

Depreciation is provided on Straight Line Value Method over the useful life of the assets at the rates and in the manner prescribed under part "C" of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged.

#### V) INVESTMENTS

Long Term Investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

#### VI) INVENTORIES

##### Engineering Division

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

Stores are written off in the year of purchase.

##### Jewellery Division

Inventories are stated at the lower of cost or net realizable value. Valuation of cut and polished diamonds is certified by management and by approved valuer.

#### VII) RETIREMENT BENEFITS

##### a) Defined Contribution Plans

Contributions payable by the Company to the concerned government authorities in respect of Provident Fund and Employee State Insurance are charged to Profit and Loss account.

##### b) Defined Benefit Plan

The Company's liability towards gratuity and leave salary is determined on the basis of year end actuarial valuation done by an Independent actuary. The actuarial gains or losses determined by the actuary are recognized in the profit and loss account as income or expenses.

#### VIII) FOREIGN CURRENCY TRANSACTIONS

In respect of export of goods and services, the transactions in foreign currency are recorded in rupees by applying to the foreign currency amount, the exchange rate prevailing on the date of the transaction. Any excess or shortfall at the time of actual realization is charged to the profit and loss account.

In respect of import of goods and services, the transactions in foreign currency are recorded in rupees by applying to the foreign currency amount, the exchange rate prevailing on the date of the transaction. Any excess or shortfall at the time of actual payment is charged to the profit and loss account.

In respect of import of capital goods, the transaction in foreign currency is recorded in rupees by applying to the foreign currency amount the exchange rate prevailing on the date of transaction. Exchange differences in respect of liabilities incurred and settled within the financial year to acquire fixed assets are charged to the profit and loss account.



Assets and liabilities related to foreign currency transactions other than fixed assets remaining unsettled at the yearend are translated at the contract rate, when covered by a foreign exchange contract and at year end rates in other cases. The gains and losses arising on foreign exchange transactions other than those relating to fixed assets are recognized in profit and loss account. Gains and losses arising on foreign exchange transactions relating to fixed assets are charged to the profit and loss account.

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

#### IX) BORROWING COSTS

Borrowing Costs directly attributed to the acquisition of Fixed Assets are capitalised as a part of the cost of asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

All other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.

#### X) EARNING PER SHARE

Basic earnings per share are computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expenses or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

#### XI) TAXATION

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

##### a) Indian Companies

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

Deferred tax is recognized on timing differences between taxable and accounting income / expenditure that originates in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is recognized for unabsorbed depreciation and carry forward losses to the extent there is virtual / reasonable certainty that the sufficient future taxable income will be available against which deferred tax assets can be realized.

##### b) Foreign Companies

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



### XII) IMPAIRMENT OF FIXED ASSETS:

Management assess at each balance sheet whether there is any indication that an asset may be impaired. If any such indication exists, it estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction, if any, is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### XIII) PROVISIONS CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if:

- a) The Company has a present obligation as a result of past events;
- b) a probable outflow of resources is expected to settle the obligation; and
- c) the amount of obligation can be reliably estimated.

Reimbursement by another party, expected in respect of expenditure required to settle a provision, is recognized when it is virtually certain that reimbursement will be received if the obligation is settled.

Contingent liability is disclosed in the case of:

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) a present obligation arising from past events, when no reliable estimate is possible;
- c) a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognized nor disclosed in the financial statements.







**MINAL INDUSTRIES LIMITED**

**Consolidated Notes to Financial Statements for the year ended March 31, 2016**

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>3 Reserves and Surplus</b>		
<b>CAPITAL RESERVE</b>		
Balance as per Last year Balance sheet		
State Subsidy	261,231	261,231
Central Subsidy	219,000	219,000
Balance as at the end of the year	<u>480,231</u>	<u>480,231</u>
<b>INVESTMENT ALLOWANCE RESERVE</b>		
Balance as per Last year Balance Sheet	277,810	277,810
Balance as at the end of the year	<u>277,810</u>	<u>277,810</u>
<b>Capital Reserve</b>		
Balance as per Last year Balance sheet	7,553,000	7,553,000
Add: During the Year		
Balance as at the end of the year	<u>7,553,000</u>	<u>7,553,000</u>
<b>SHARE PREMIUM</b>		
Balance as per Last year Balance sheet	116,729,360	116,729,360
Add: During the Year		
Balance as at the end of the year	<u>116,729,360</u>	<u>116,729,360</u>
<b>FOREIGN CURRENCY TRANSLATION RESERVE</b>		
Balance as per Last year Balance sheet	87,256,960	76,906,195
Add: During the Year	18,963,611	11,350,763
Balance as at the end of the year	<u>106,220,571</u>	<u>88,256,958</u>
<b>REVALUATION RESERVE</b>		
Balance as per Last year Balance sheet	161,883	161,883
Add: During the Year		
Balance as at the end of the year	<u>161,883</u>	<u>161,883</u>
<b>GENERAL RESERVE</b>		
Balance as per Last year Balance sheet	83,392,370	83,392,370
Balance as at the end of the year	<u>83,392,370</u>	<u>83,392,370</u>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	324,172,038	354,797,602
Profit / (Loss) for the year	(91,149,227)	(33,929,293)
Adjustment to carrying value of Fixed Assets (Net of Deferred tax Rs. Nil, Previous Year Rs. 1,40,471/-)		314,129
Balance as at the end of the year	<u>233,023,411</u>	<u>321,172,638</u>
<b>Total</b>	<u>547,838,836</u>	<u>620,024,232</u>
<b>4 Deferred Tax Liability</b>		
Deferred Tax Liabilities:		
on account of Depreciation	1,506,158	1,509,683
Deferred Tax Liability	<u>1,506,158</u>	<u>1,509,683</u>
<b>5 Long Term Provisions</b>		
Provision for Employee Benefits	27,310	-
	<u>27,310</u>	<u>-</u>
<b>6 Short-Term Borrowings</b>		
<b>Unsecured</b>		
<b>Loans:</b>		
From Related party - Directors	3,464,000	3,464,000
(Above interest free loan is repayable on demand)		
	<u>3,464,000</u>	<u>3,464,000</u>
<b>7 Trade Payables</b>	84,532,603	5,304,170,832
	<u>84,532,603</u>	<u>5,304,170,832</u>



**MUNAL INDUSTRIES LIMITED**

Consolidated Notes to Financial Statements for the year ended March 31, 2016

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>8 Other Current Liabilities</b>		
Unpaid Dividends	189,101	189,101
Advances from Customers	2,300	17,450
Statutory Dues (including Tax Deducted at Source)	37,524	55,624
Other Current Liability	1,382,347	1,379,918
	<u>1,611,274</u>	<u>1,662,090</u>
<b>10 Non-Current Investments</b>		
<b>Trade Investments in Equity Instruments - Unquoted, at Cost</b>		
<b>i) Associate Companies</b>		
1,23,50,000 (Previous Year 1,23,50,000) Equity Shares in Munal Infajewels Limited (Formerly known as C. Mahendra Infajewels Limited; of Rs. 10/- each.	123,500,000	123,500,000
	<u>123,500,000</u>	<u>123,500,000</u>
<b>ii) INVESTMENT IN PARTNERSHIP FIRM</b>		
Capital in M/s R5BL Jewels	(1,905,996)	82,424,146
	<u>(1,905,996)</u>	<u>82,424,146</u>
<b>iii) Non Trade Investment</b>		
1 Share in Sterling Centre Premises Owners Co-op Society Ltd. of Rs.500/- each.	500	500
	<u>500</u>	<u>500</u>
	<u>121,594,504</u>	<u>205,924,648</u>
<b>Details of Investment in Partnership Firm</b>		
MUNAL INDUSTRIES LTD. [Capital Balance of Rs.19,05,996 Cr. (Previous Year 8,24,24,146 Cr.) with Share of Profit/(Loss) - 99%]		
SHRI MEHUL DINESHKUMAR KOTHARI [Capital Balance of Rs.11,73,581 Cr. (Previous Year 20,26,179 Cr.) with Share of Profit/(Loss)-1%]		
<b>11 Long-Term Loans and Advances</b>		
Security Deposits	1,932,475	1,932,475
Mat credit Entertainment	505,951	505,953
	<u>2,438,428</u>	<u>2,438,428</u>
<b>12 Inventories</b>		
Work-in Progress	265,827	265,227
Traded Goods	144,936,441	218,727,107
	<u>145,172,268</u>	<u>218,992,334</u>
<b>13 Trade Receivables</b>		
Unsecured, considered good:		
-Outstanding for a period exceeding six months from the date they are due for payment	560,163,929	5,682,312,063
-Others	-	7,171,459
	<u>560,163,929</u>	<u>5,689,498,542</u>

Trade Receivable includes dues from partnership firm / Company amounting to Rs.1,77,703/- (Previous Year - 3,88,194/-) in which  
Director are partners / director



**MINAL INDUSTRIES LIMITED**

**Consolidated Notes to Financial Statements for the year ended March 31, 2016**

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>8 Other Current Liabilities</b>		
Unpaid Dividends	189,101	189,101
Advances from Customers	2,300	17,450
Statutory Dues (including Tax Deducted at Source)	37,524	55,624
Other Current Liability	1,382,349	1,389,915
	<b>1,611,274</b>	<b>1,652,090</b>
<b>10 Non-Current Investments</b>		
<b>Trade Investments in Equity Instruments - Unquoted, at Cost</b>		
<b>i) Associate Companies</b>		
1,23,50,000 (Previous Year 1,23,50,000) Equity Shares in Minal Infojewels Limited (Formerly known as C. Mahendra Infojewels Limited) of Rs. 100/- each.	123,500,000	123,500,000
	123,500,000	123,500,000
<b>ii) INVESTMENT IN PARTNERSHIP FIRM</b>		
Capital in Mys RSBL Jewels	(1,905,996)	82,424,148
	(1,905,996)	82,424,148
<b>iii) Non Trade Investment</b>		
1 Share in Sterling Centre Premises Owners Co-op Society Ltd. of Rs.500/- each.	500	500
	500	500
	<b>121,594,504</b>	<b>205,924,648</b>
<b>Details of Investment in Partnership Firm</b>		
MINAL INDUSTRIES LTD. [Capital Balance of Rs.19,05,996 Cr. (Previous Year 8,24,24,148 Cr.) with Share of Profit/(Loss) - 99%]		
SHRI MEHUL DINESHKUMAR KOITHARI [Capital Balance of Rs.11,73,581 Cr. (Previous Year 20,26,179 Cr.) with Share of Profit/(Loss)-1%]		
<b>11 Long-Term Loans and Advances</b>		
Security Deposits	1,932,479	1,932,479
Mat credit Entitlement	505,953	505,953
	<b>2,438,428</b>	<b>2,438,428</b>
<b>12 Inventories</b>		
Work-in-Progress	265,827	285,217
Traded Goods	144,906,441	218,727,107
	<b>145,172,268</b>	<b>219,012,324</b>
<b>13 Trade Receivables</b>		
Unsecured, considered good:		
-Outstanding for a period exceeding six months from the date they are due for payment	560,163,929	3,682,327,083
-Others	-	7,171,459
	<b>560,163,929</b>	<b>3,689,498,542</b>

Trade Receivable includes dues from partnership firm / Company amounting to Rs.3,77,709/- (Previous Year : 3,10,159/-) in which  
director are partners / director



**MINAL INDUSTRIES LIMITED**

Consolidated Notes to Financial Statements for the year ended March 31, 2016

**9 Tangible Assets**

Particulars	Gross Block			Depreciation			Net Block		
	As at April 1, 2015	Additions	As at March 31, 2016	As at April 1, 2015	For the Year	Transitional Provision	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
	Factory Premises - Leasehold Land	543,235	-	543,235	-	-	-	543,235	543,235
Factory Building	921,244	-	921,244	595,930	90,696	-	686,626	734,618	325,204
Office Premises	10,812,700	-	10,812,700	1,555,602	130,733	-	1,726,335	9,086,365	9,257,098
Plant	5,246,152	-	5,246,152	4,858,064	19,777	-	4,917,841	-	-
Computers & Printers	475,100	-	475,100	434,207	5,777	-	440,984	39,116	40,893
Office Equipment	133,828	-	133,828	123,308	3,109	-	127,137	6,691	16,520
Furniture and Fixtures	3,540,579	-	3,540,579	2,527,905	343,540	-	2,871,454	668,125	1,012,674
Electrical Fitting	928,672	-	928,672	391,498	65,683	-	457,081	471,612	537,216
Vehicles	2,275,544	-	2,275,544	2,161,767	-	-	2,161,767	113,777	113,777
<b>Total</b>	<b>24,877,854</b>	<b>-</b>	<b>24,877,854</b>	<b>12,688,241</b>	<b>700,944</b>	<b>-</b>	<b>13,389,205</b>	<b>11,159,538</b>	<b>11,848,725</b>
Previous Year	24,855,454	21,480	24,877,854	11,670,443	1,472,388	(454,600)	12,688,241	11,648,725	



**MINAL INDUSTRIES LIMITED**

**Consolidated Notes to Financial Statements for the year ended March 31, 2016**

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>14 Cash and Cash Equivalents</b>		
Cash and Cash Equivalents		
- Balance with Banks	128,659	409,627
- Cash on Hand	2,249,038	2,431,225
Other Bank Balances		
- In Fixed Deposits	6,000	6,000
	<u>2,578,717</u>	<u>2,841,852</u>
	<u>2,578,717</u>	<u>2,841,852</u>
<b>15 Short-Term Loans and Advances</b>		
(Unsecured, Considered Good (unless otherwise stated))		
Advance to Related Parties	175,115,234	177,557,251
Other Loans and Advances:		
Balances with Government Authorities		51,041
Advance Income Tax [Net of Provision Rs. NIL (Previous Year : Rs. 4,09,000)]	9,176	426,415
Prepaid Expenses	102,797	147,254
Other Advances	4,118,578	4,135,578
	<u>179,345,785</u>	<u>182,717,540</u>
	<u>179,345,785</u>	<u>182,717,540</u>



**MINAL INDUSTRIES LIMITED**

**Consolidated Notes to Financial Statements for the year ended March 31, 2016**

	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
<b>16 Revenue from Operations</b>		
Sale of Products:		
Finished Goods	130,500	270,500
Traded Goods	17,500	40,091,505
<b>Total</b>	<b>148,000</b>	<b>40,362,005</b>
<b>Sales of Finished Goods</b>		
Braille Typewriters	130,500	270,500
<b>Sales of Traded Goods</b>		
Diamonds		40,091,505
Grocery, Articles etc.	17,500	
<b>17 Other Income</b>		
Interest Income on:		
Fixed Deposits with Banks (Gross TDS Rs. NIL F.Y 2,281/-)		22,743
Other Non-operating Income		
Miscellaneous Income	3	3,287
Rent	48,000	48,000
Sundry Balance W/back (Net)	66,820,764	
Exchange Rate Difference (Net)	8,203,971	
	<b>75,073,338</b>	<b>74,030</b>
<b>18 Purchases of Stock-in-Trade</b>		
Purchases of Diamond	263,000	
Purchases of Steel Consumable items		2,384,733
Purchases of Jewellery, Precious & Semi Precious Stone		41,653,875
	<b>263,000</b>	<b>44,235,628</b>
<b>19 Changes in Inventories of Finished Goods and Work-in-Progress</b>		
<b>(Increase)/ Decrease in Stocks</b>		
Stock at the end of the year:		
Work-in-progress	265,827	295,227
Traded Goods	144,906,441	218,727,107
	<b>145,172,268</b>	<b>219,022,334</b>
Stock at the beginning of the year:		
Finished Goods		295,227
Work-in-progress	218,727,107	223,603,081
Traded Goods	219,022,334	223,954,908
	<b>73,830,066</b>	<b>4,932,574</b>
<b>(Increase)/ Decrease in Stocks</b>		
<b>20 Employee Benefits Expense</b>		
Salaries, Wages and Bonus	281,610	940,310
Director Remuneration	120,000	120,000
Staff Welfare Expenses	4,875	310
	<b>406,485</b>	<b>1,061,120</b>



**MINAL INDUSTRIES LIMITED**  
**Consolidated Notes to Financial Statements for the year ended March 31, 2016**

	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
<b>21 Other Expenses</b>		
<b>Manufacturing Expenses</b>		
Power & Fuel	64,651	74,589
Clearing and Forwarding Expenses	18,966	135,089
Labour Charges	58,770	119,835
Employee Insurance	-	813
Packing Material	120	150
<b>Administrative Expenses</b>		
Bank Charges	139,867	195,372
Repairs:		
Others	2,748	4,700
Rent, Rates and Taxes	1,114,196	1,545,255
Insurance	432,375	335,882
Communication Charges	44,052	11,544
Printing and Stationery	25,006	5,795
Office Expenses	1,504,364	1,435,777
Security and Safety Expenses	9,000	9,425
Traveling, Conveyance and Car Expenses	49,458	37,720
Legal and Professional Fees	2,189,521	2,821,122
Auditors Remuneration	254,851	232,053
Advertisement	43,576	-
Sales Promotion	-	57,544
Loss on Foreign Exchange (Net)	-	5,625,806
Annual Listing Fees	397,204	724,720
Share in Loss in Partnership Firm	84,437,195	696,376
Investment written off	-	353,600
Bad and Doubtful debts	-	6,385,798
	<b>98,735,740</b>	<b>28,289,356</b>
<b>22 Earning per Share (EPS)</b>		
Net Profit / (Loss) as per Profit and Loss Account available for Equity Shareholders	(91,146,227)	(30,929,293)
Weighted average number of equity shares for Earning per Share computation	191,900,650	191,900,650
For Basic Earning Per Share of Rs.2 each (P.Y. of 2 each)	(0.47)	(0.16)
For Diluted Earning Per Share of Rs.2 each (P.Y. of 2 each)	(0.47)	(0.16)



Note No.23) Contingent Liabilities and Commitments

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Corporate guarantee given Corporate Guarantee given to bank in respect of credit facilities sanctioned to associate company.	12,00,00,000	12,60,00,000
Claim against the Company not acknowledged as debts		
Disputed Income tax liabilities (AY 1998-99)	4,99,230	4,99,230
Disputed Income tax liabilities (AY 2011-12)	1,72,530	1,72,530
Rent payment in Sachin Sunat Sez	5,03,712	---

Note No.24) REMUNERATION TO AUDITORS

	2015-16	2014-15
a) Audit Fees	1,03,050	1,01,124
b) Taxation Matters	---	---
c) Others	1,08,026	79,275
Total	2,11,076	1,80,899

Note No.25)

In respect of valuation of stock of polished diamonds at lower of cost or net realizable value, cost or net realizable value is based on technical estimate by the management and certified by an approved valuer to avoid distortion in valuation. The basis of computing cost is on consistent basis though in line with generally accepted industry practice, is a deviation from the method prescribed by Accounting Standard (AS) - 2 'Valuation of Inventories'.

The impact of profit for the year, reserves and surplus and inventories as at 31st March, 2016, if any due to the above deviations is not ascertainable.

Note No.26)

During the year, company has not obtained the bank statements of one bank account for which balance as on 31/03/2016 amounting to Rs. 6,180/- (as on 31/03/2015 Rs. 6,180/-). The management certifies that there being no transactions during the year in respect of the bank accounts. Also bank balance confirmations is not provided by the bank.

Note No.27)

Disclosures in respect of defined benefit plans (gratuity) as required under AS-15 (Revised) 'Employee Benefits' are as under:

b) Principal assumption used in determining gratuity:

Particulars	Current Year Rs.
Discount rate at the beginning of the period	7.86%
Expected rate of increase in compensation level	7%





ii) Change in the present value of the benefit obligations :

Particulars	Current Year Rs.
Projected benefits obligations, as at beginning of the period	20,956
Service cost	5,124
Interest cost	1,676
Actuarial (gain) / loss on obligation	(446)
Benefit paid	NIL
Projected benefit obligation end of the period	27,310

iii) Expenses recognized in statement of profit and loss :

Particulars	Current Year Rs.
Current service cost	5,124
Interest cost	1,676
Expected return on plan assets	NIL
Net actuarial gain	(446)
Net periodic cost	6,354

iv) Movement in net liability recognized in balance sheet :

Particulars	Current Year Rs.
Opening net liability	20,956
Expenses as above	6,354
Contribution paid	NIL
Closing net liability	27,310

During the year, the Company has changed its accounting policy by applying the revised Accounting Standard AS - 15 Employee Benefits notified under the Companies (Accounting Standard) Rules, 2006. The Company has provided the gratuity based on actuarial valuation amounting to Rs. 27,310/-. The profit for the year is less to that extent. Previous year figures are not stated as this is the first year of compliance.

Note No.28)

The management based on their review of assets and operation of the Company has determined that there is no indication of potential impairment and that the recoverable amount of any of its fixed assets is not lower than its carrying amount. Accordingly no provision for impairment is required as at 31 March 2016.

Note No 29)

Other Current liabilities includes the unpaid dividend of Rs. 1,89,101/- which includes a sum of Rs. 90,868/- which is unpaid / unclaimed, for the period of more than seven years and the same is not transferred to Investor Education and Protection Fund which is not in compliance with Section 124 of Companies Act, 2013.

Note No 30)

a) Trade receivables amounting to Rs. 56,01,63,929/- is outstanding for more than three years and the recovery of which is doubtful and the management classifies these debts fully recoverable and good and accordingly does not consider it necessary to make any provision



b) Loans and advances receivable, amounting to Rs. 41,04,826/- is outstanding for more than three years and the recovery of which is doubtful and the management classifies these debts fully recoverable and good and accordingly does not consider it necessary to make any provision.

Note No 31)

During the year, sundry balance written back (net) includes debit balance of export receivables amounting to Rs. 515,06,39,424/- adjusted against credit balance of import payables amounting to Rs. 521,76,78,025/- which were outstanding for more than three years. The write off adjustments are subject to approval of Reserve Bank of India.

Note No 32)

In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business and provisions for all the known liabilities and depreciation are adequate and not in excess of the amount reasonably necessary.

Note No 33)

The balance confirmation from suppliers, customers as well as to various loans and advances given are not obtained, and are subject to availability of confirmation from the respective parties. The management does not expect any material difference affecting the current period financial statements on reconciliation adjustments.

Note No 34)

During the year, share of loss in partnership firm M/s KSHL Jewels included in Other Expenses which includes Rs. 8,47,66,632/- (99% share) being export receivables outstanding for more than three years. The amount written off is subject to approval of Reserve Bank of India.

Note No 35) Foreign Currency Exposure

During the year the Group has not entered into any derivative contract. Details of Foreign currency exposure not covered by any derivative instruments are as under:

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.
Foreign Currency Receivables				
USD	30,03,351	19,67,19,486	8,61,26,814	534,41,68,808
AED	2,01,16,745	36,30,58,850	2,02,94,439	34,44,59,541
Foreign Currency Payables				
USD	8,49,039	5,65,03,561	8,42,02,443	527,78,09,096
AED	15,53,148	28,029,041	15,53,148	26,361,736



Note No 36)

**SEGMENT REPORTING**

Sr No.	Particulars	Geographical Segments		
		India	Rest of World	Total
1.	<b>Segment Revenue</b>			
	Sales and Other	1,48,000	---	1,48,000
	Income from operations	(2,70,500)	(4,00,91,505)	(4,03,62,005)
2.	<b>Carrying amount of assets by geographical location of assets</b>			
	Segment Assets	464,780,500	55,80,00,981	102,27,81,481
		(625,775,687)	(5,688,856,469)	(631,46,32,156)
3.	<b>Additions to fixed assets and intangible assets</b>			
	Addition to fixed assets	---	---	---
		(21,400)	(---	(21,400)

Notes:

- i. Secondary segments identified are as per the requirements of Accounting Standard (AS) -17 'Segment Reporting', taking into account the organisation structure as well as the differing risks and returns.
- ii. The segment revenue and total assets includes the revenue and assets respectively, which are identifiable with each segment and amounts allocated to the segments on a reasonable basis.

Note No 37)

**Disclosures as required by Accounting Standard (AS) 18 Related party Disclosure**

a) Name of the related parties and description of relationship :

Associates	Minal Infojewels Limited (Formerly known as C. Mahendra Infojewels Limited) RSBL Jewels Firm
Enterprises over which key management personnel and their relatives are able to exercise significant influence	Minal Electrical & Engineering Minal Plastic Product Minal Jewels (USA) Selection INC (USA) C Mahendra Jewels USA Clicks Metro Online Pvt. Ltd. Minal Exim Pvt. Ltd. Minal Infracons Pvt. Ltd. Minal Infrastructure and Properties Pvt. Ltd. Minal Lifestyles Pvt. Ltd. Twinkle Lifestyles Private Limited
Key Management Personnel	Shri Shrikant Parikh Shri Amulbhai Jethabhai Patel Shri Shankar Bhagat Mrs. Sona Parikh



b) Transaction with related parties :

Related Party	Description of Nature of Transactions	Transactions during the year 2015/2016	Outstanding Balance as on 31/03/2016	Transactions during the year 2014/2015	Outstanding Balance as on 31/03/2015
<b>A) With Directors</b>					
Sari Shrikant J. Parikh	i) Remuneration	1,20,000	Cr. 2,81,000	1,20,000	Cr. 1,62,800
	ii) Loan recd	----	Cr. 34,64,000	----	Cr. 34,64,000
<b>B) With Associates</b>					
1) Minal Infjewels Ltd	i) Loan Given	9,55,000	Dr. 17,42,97,576	46,75,029	Dr. 18,14,36,123
	ii) Loan Repaid	37,58,517	----	3,40,000	----
<b>C) With Enterprises over which key management personnel and their relatives are able to exercise significant influence</b>					
2) Minal Electrical & Engineering	i) Rent Received	48,000	Dr. 10,40,741	48,000	Dr. 9,92,741
3) Minal Plastic Product	i) Rent Paid	1,20,000	Dr. 1,21,120	1,20,000	Dr. 2,41,120
4) Minal Jewels	i) Sales	----	Dr. 19,67,19,486	----	Dr. 18,63,57,025
	ii) Purchase	2,65,000	Cr. 2,66,200	----	----
5) Selection Inc	i) Purchase	----	Cr. 83,429,170	----	Cr. 85,704,261
	ii) Sales	----	----	67,68,405	Dr. 71,71,459
6) C. Mahandra Jewels (USA)	i) Purchase	----	Cr. 8,37,263	----	Cr. 7,88,546
<b>D) With Key Management Personnel</b>					
Shri Shankar Bhagat	Professional Fees	----	----	18,000	----

- c) The transactions with related parties have been entered at an amount which is not materially different from those on normal commercial terms.
- d) No amount has been written back / written off during the year in respect of due to / from related parties.
- e) The amount due to / from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.



**Note No. 38) LEASE:**

The Company has entered into a lease agreement for use of sales counter space along with all the other amenities, which is in the nature of operating lease. As per the terms of the agreement, the period of lease ranges from 11 months to 3 years and the same is further renewable for such period as may be mutually agreed by the lessor and the lessee. The leases can be terminated by either party by giving one month notice as per terms of agreement.

The future minimum lease payment as per above lease agreement is as follows:-

Future minimum lease payments	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
i. Not later than one year,	6,67,160	9,16,858
ii. Later than one year and not later than five years	NIL	4,58,429
iii. Later than five years	NIL	NIL

The amount of minimum lease payments with respect to the above lease recognized in the profit and loss account for the period is Rs 10,42,680 (Previous Year Rs. 14,67,074)

**Note No 39)**

During the year the Company has accounted for deferred tax except in case of unabsorbed depreciation and carry forward losses under Tax Laws, in absence of virtual certainty of sufficient future taxable income. Deferred Tax assets has not been recognised by way of prudence in accordance with the Accounting Standard 22 - "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India

The breakup of deferred tax balance is as under:

Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Opening Deferred Tax Liability on a/c of Depreciation	15,09,687	15,76,856
Less : Deferred Tax (Assets) / Liability on a/c of Depreciation	4,910	(67,169)
Less / (Add) : Deferred Tax (Assets) / Liability on a/c of Expenses	(8,439)	---
<b>Net Deferred Tax Liability</b>	<b>15,06,158</b>	<b>15,09,687</b>

**Note No 40)**

As required by the Notification No. GSR 129(F) dated 22<sup>nd</sup> February, 1999 issued by the Department of Company Affairs, Ministry of Law, Justice and Company Affairs there are no small scale undertakings to which the Company owes sum which is outstanding for more than 30 days. This information has been determined on the basis of information available with the Company. This has been relied upon by the auditors.

Suppliers/Service providers covered under Micro, Small Medium Enterprises Development Act 2006, have not furnished the information regarding filing of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed u/s 22 of the said Act is not given.



Note No 41)

During the year, the Company has not appointed whole time Company Secretary and Chief Financial Officer as per Section 203 of the Companies Act, 2013. Therefore these financial statements have not been authenticated by a whole time Company Secretary and Chief Financial Officer under Section 134 of Companies Act, 2013.

Note No 42)

Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group financial statements.

Note No 43)

Previous year's figures have been regrouped or rearranged, wherever considered necessary to conform to current year's presentation. Figures in bracket are in respect of previous year.

AS PER OUR REPORT ATTACHED  
FOR R.H.MODI & CO.  
CHARTERED ACCOUNTANTS  
(FIRM REGISTRATION NO: 106486W)

*R.H. Modi*  
R.H.MODI  
PROPRIETOR  
MEMBERSHIP NO: 37643  
PLACE: MUMBAI  
DATE: 30 MAY 2016



FORMINAL INDUSTRIES LIMITED

*[Signature]*  
DIRECTOR

*[Signature]*  
DIRECTOR

PLACE: MUMBAI  
DATE: 30 MAY 2016

**FORM NO SH-13****Nomination Form**

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,

Minal Industries Limited  
 Regd. Office: 603, A- Wing, Minal Complex,  
 Opp. Saki Vihar Road, Andheri (East)  
 Mumbai- 400072.

I/We \_\_\_\_\_ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)**

Nature of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive Nos.

1. PARTICULARS OF NOMINEE/S -		2. IN CASE NOMINEE IS A MINOR -	
Name		Date of Birth	
Date of Birth		Date of attaining majority	
Father's/Mother's/Spouse's name		Name of guardian	
Occupation		Address of guardian	
Nationality			
Address			
E-mail Id			
Relationship with the security holder			

**4. PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY:**

- (a) Name:  
 (b) Date of Birth:  
 (c) Father's/Mother's/Spouse's name:  
 (d) Occupation:  
 (e) Nationality:  
 (f) Address:  
 (g) E-mail id:  
 (h) Relationship with the security holder:  
 (i) Relationship with the minor nominee

Name:

Address:

Name of the Security Holder(s)  
 Witness with name and address

Signature  
 Signature

**Form No. SH-14  
Cancellation or Variation of Nomination**

[Pursuant to sub-section (3) of Section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]

To,  
Minal Industries Limited  
Regd. Office: 603, A- Wing, Minal Complex,  
Opp. Saki Vihar Road, Andheri (East)  
Mumbai- 400072.

I/We hereby cancel the nomination(s) made by me/us in favor of \_\_\_\_\_ (name and address of the nominee) in respect of the below mentioned securities.

Or

I/We hereby nominate the following person in place of \_\_\_\_\_ as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled /varied)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive Nos.

1. PARTICULARS OF NOMINEE/S –		2. IN CASE NOMINEE IS A MINOR -	
Name		Date of Birth	
Date of Birth		Date of attaining majority	
Father's/Mother's/Spouse's name		Name of guardian	
Occupation		Address of guardian	
Nationality			
Address			
E-mail Id			
Relationship with the security holder			

(3) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY:

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:
- (i) Relationship with the minor nominee:

Signature

Name of the Security Holder(s)

Witness with name and address



**MINAL INDUSTRIES LIMITED**

CIN L32201MH1988PLC216905

Regd. Off:- 603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (East) Mumbai- 400072. Tel no.:- 022-40707070,  
Web site: - [www.minalindustriesltd.com](http://www.minalindustriesltd.com), Email ID: seepzcm@gmail.com

**ATTENDANCE SLIP**

28th Annual General Meeting

Reg. Folio/DP & Client No: ..... No. of Shares.....

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 28<sup>th</sup> Annual General Meeting of the Company held on Thursday the 22nd September, 2016 at 11.00 a.m. at 603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (East) Mumbai 400072.

Member's Name: .....

Proxy's Name: ..... Member's/ Proxy's Signature

Note: 1. Please fill this attendance slip and hand it over at the entrance of the Hall.

1. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
2. Authorized Representatives of Corporate members shall produce proper authorization issued in their favor.

Form No. MGT-11

**MINAL INDUSTRIES LIMITED**  
CIN L32201MH1988PLC216905

Regd. Off:- 603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (East) Mumbai 400072. Tel no.:- 022-40707070;  
Web site: - [www.minalindustriesltd.com](http://www.minalindustriesltd.com), Email ID: seepzcm@gmail.com

**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014).

Name of the member (s) : .....

Registered Address: .....

E.Mail Id:..... Folio No./Client Id ..... DP ID.....

I/We, being the member(s) holding of ..... shares of the above named Company, hereby appoint

1. Name:..... Address:.....  
.....E.mail ID..... Signature:..... or failing him

2. Name:..... Address:.....  
.....E.mail ID..... Signature:..... or failing hi

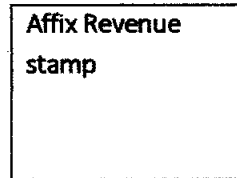
3. Name:..... Address:.....  
E.mail ID:..... Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday the 22<sup>nd</sup> September, 2016 at 11.00 a.m. at 603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (East) Mumbai 400072 and at any adjournment thereof in respect of such resolutions as are indicated below

Resoluti on No	Resolutions		
		For	Against
1	To receive, consider and adopt the Financial Statements for the year ended 31st March 2016 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.		
2	To appoint a director in place of Mrs. Sona Parikh, who retires by rotation at the ensuing Annual General Meeting of the company and being eligible, offers herself for reappointment.		

3	To ratify the terms of appointment of M/s. R H Modi & Co. Chartered Accountants, Mumbai (FRN 106486W) as statutory auditors and to fix their remuneration.		
	<b>Special Business</b>		
4	Re-appointment of Mr. Shrikant Parikh as Managing Director.		
5	To Approve Related Party Transactions		

Signed this.....day of .....2016



Signature of shareholder

Signature of Proxy holder(s)

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statements and notes, please refer to the notice of 28<sup>th</sup> Annual General Meeting.
3. It is Optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission

**MINAL INDUSTRIES LIMITED**

CIN: L32201MH1988PLC216905

REGD. OFFICE: 603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (East) Mumbai 400072

Tel No. 022-40707070; Web site: [www.minalindustriesltd.com](http://www.minalindustriesltd.com); Email ID: [seepzcm@gmail.com](mailto:seepzcm@gmail.com)

28th Annual General Meeting for the year 2015-2016

**ASSENT/ DISSENT FORM FOR VOTING ON AGM RESOLUTIONS**

1. Name(s) & Registered Address :  
Of the sole / first named Member
2. Name(s) of the Joint-Holder(s) :  
If any
3. i) Registered Folio No. :  
ii) DP ID No & Client ID No.  
[Applicable to Members  
Holding shares in dematerialized  
Form]
4. Number of Shares(s) held :
5. I/ W hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the 28<sup>th</sup> Annual general Meeting dated September 22<sup>nd</sup> 2016, by conveying my/ our assent or dissent to the resolutions by placing tick ( v ) mark in the appropriate box below:

Res oluti on No	Resolutions	No of Ordinary Shares for which votes cast	(For)	(Against)
	<b>Ordinary Business</b>		I/We assent to the Resolution	I/We dissent to the Resoluti on
1	To receive, consider and adopt the Financial Statements for the year ended 31st March 2016 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.			
2	<b>To appoint a director in place of Mrs. Sona Parikh, who retires by rotation at the ensuing Annual General Meeting of the company and being eligible, offers herself for reappointment.</b>			
3	To ratify the terms of appointment of M/s. R H Modi & Co. Chartered Accountants, Mumbai (FRN 106486W) as statutory auditors and to fix their remuneration.			
	<b>Special Business</b>			
4	To re-appointment Mr. Shrikant Parikh as Managing Director			
5	To Approve Related Party Transactions			

Place:

Date :

\_\_\_\_\_  
Signature of the Member  
Or  
Authorised Representative

- Notes : i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.  
ii) Last date for receipt of Assent/ Dissent Form: 21<sup>st</sup> September, 2016 (5.00 pm IST)  
iii) Please read the instructions printed overleaf carefully before exercising your vote.

#### **General Instructions**

1. Shareholders have to vote to convey assent/dissent.
2. The notice of Annual General Meeting is dispatched/ e-mailed to the members whose names appear on the Register of Members as on 06<sup>th</sup> August 2016 and voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent/ dissent form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization, as stated below.

#### **Instructions for voting physically on Assent / Dissent Form**

1. A member desiring to exercise vote by Assent/ Dissent should complete this (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, at their cost to reach the Scrutinizer at the registered office of the Company on or before the close of working hours i.e. 5.00 pm on September 22<sup>nd</sup>, 2016. All Forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies etc.) the completed Assent/ Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/ appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column "FOR" or dissent in the column "AGAINST" by placing a tick mark (✓) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent/ Dissent Form for every folio / Client id irrespective of the number of joint holders.
7. A member may request for a duplicate Assent/ Dissent Form, if so required and the same duly completed should reach the Scrutinizer not later than the specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent/ Dissent form except giving their assent or dissent and putting their signature. If nay such other paper is sent the same will be destroyed by the Scrutinizer.
9. The Scrutinizers decision on the validity of the Assent/ Dissent Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Assent/ Dissent Forms will be rejected.

# ROUTE MAP TO REACH THE VENUE OF AGM

