



TWENTY THIRD ANNUAL REPORT
2010-2011

BOARD OF DIRECTORS

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

REGISTERED OFFICE:

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

AUDITORS:

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

BANKERS:

Corporation Bank, Alkapuri, Vadodara

	<u>CONTENTS</u>	<u>Page No.</u>
<p>The Twenty Third Annual General Meeting of the company will be held on Thursday the 30th day of September, 2011 at 11.30 a.m. at the Registered Office of the Company at 603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (east) Mumbai</p>	1 Notice to Shareholders	01-05
	2 Directors Report	06-08
	3 Report on Corporate Governance	09-13
	4 Compliance Certificate	14-15
	5 Auditors Report	16-18
	6 Balance Sheet	19
	7 Profit and Loss Accounts	20
	8 Schedules	21-25
	9 Accounting Policies and Notes on Accounts	26-30
	10 Balance Sheet abstracts	31
	11 Cash Flow Statement	32
	12 Consolidate Accounts	33-45
	13 Statement 212	46
	14 Form of Proxy	47

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Company will be held on Thursday, the 30th Day of September, 2011 at 11.30 a.m. at the Registered Office of the Company at 603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (east) Mumbai to transact the following businesses:

ORDINARY BUSINESS:

- 1) To consider, approve and adopt the Balance sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report there on.
- 2) To appoint a director in place of Mr. J B Parikh, who retires by rotation at the ensuing Annual General Meeting of the company and being eligible, offers himself for reappointment.
- 3) To appoint a director in place of Mrs. Arpita Parikh, who retires by rotation at the ensuing Annual General Meeting of the company and being eligible, offers herself for reappointment.
- 4) To consider and if thought fit pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that M/s R.H. Modi & Company, Chartered Accountants, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by mutual consent of board of directors and the Auditors."

By Order of Board
For Minal Industries Limited

Sd /-
J. B. Parikh
Chairman

Place : Vadodara
Date : 31.05.2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING. (FORM ATTACHED HEREWITH)
2. Members are requested to notify immediately their change of address, transfer, transmission deeds and such other correspondence to the Registrar and Transfer Agent MCS Limited, at Neelam Apartment, 88, Sampatrao Colony, Vadodara 390 005.
3. The Register of Members and Share Transfer books of the Company will be closed from 23rd Sep, 2011 to 29th Sep, 2011. (Both days inclusive).
4. Members/Proxies should bring the Attendance Slips duly filled in for attending the meeting.
5. Members are requested to bring their copy of Annual Report to the Annual General Meeting.
6. Members desirous of seeking any information/clarification on the accounts or operations of the company is requested to forward his/ her query to the Registered Office so as to reach at least seven working prior days to the meeting, so the required information can be made available at the meeting.
7. Members, who hold shares in dematerialized form, are requested to bring their depository account number (Client ID No.) for easy identification and recording of attendance at the meeting.
8. Members who wish to make nomination for the shares held in the Company may kindly send the details in the form 2B as prescribed under the Companies Act, 1956.

By Order of Board
For Minal Industries Limited

Sd /-
J. B. Parikh
Chairman

Place : Vadodara
Date : 31.05.2011



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 23rd Annual Report together with the Audited Financial Statement along with the Report of the Auditors for the year ended on 31st March 2011.

➤ **Financial Results and Profitability:**

	Rs. In Lacs	
FINANCIAL RESULTS	2010-11	2009-10
Total Income	29544.62	79.43
Total Expenditure	27805.06	58.57
Profit before Depreciation & Tax	1765.16	20.86
Less: Depreciation	7.05	9.89
Profit before tax	1732.51	10.97
Provision for tax	4.38	1.52
Profit after Tax	1728.13	9.43
Profit brought forward	160.12	224.97
Profit available for appropriation	1888.26	234.40
Appropriations:		
Dividend	0.00	63.70
Dividend Tax	0.00	10.58
Transfer to General Reserve	0.00	0.00
Balance Carried forward	188.83	160.12
Paid up Equity Share Capital	1438.01	637.00
Share Forfeited Account	0.00	75.53
Reserves and Surplus	3324.21	353.25

➤ **Operation**

Your directors report that the company has achieved a sales turnover of Rs. 28769.69 Lacs as against Rs. 25.01 Lacs in the previous year. The company's Profit increased to Rs. 1765.16 Lacs before depreciation and interest as against Profit of Rs. 20.86 Lacs in the previous year. After providing a sum of Rs. 7.05 Lacs towards depreciation, Income Tax provision of Rs. 4.38 Lacs, the operation resulted in net Profit of Rs. 1728.13 Lacs as against profit of Rs. 9.43 Lacs in the previous year.

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

The company has made net profit of Rs. 1728.13 Lacs during the year thus no sum is appropriated to the reserves.

➤ **Conservation of energy, technology adsorptions and foreign exchange earnings and outgo:**

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

➤ **Deposits:**

The company has neither accepted nor renewed any Public Deposits pursuant to the Section 58A of the Companies Act, 1956.

➤ **Directors :**

Mr. J B Parikh and Mrs. Arpita Parikh, Directors of the company will retire by rotation in the Annual General Meeting, and being eligible offer themselves for reappointment.

➤ **Auditors:**

The Statutory Auditors of the Company M/s R.H. Modi & Company, Chartered Accountants are retiring at conclusion of this Annual General Meeting, being eligible they offers themselves for reappointment. The Auditors have confirmed that, if appointed, their appointment will be within the limits as laid down under section 224(1B) of the Companies Act, 1956.

Notes forming part of the accounts, which are specifically referred to by the Auditors in their Report are self explanatory and therefore do not call for any further comments.

➤ **Subsidiaries:**

The company had Minal International FZE as 100% subsidiary as on 31st March 2011. The consolidated financial statements presented by the company include financial information of its subsidiaries prepared in compliance with the applicable accounting standards. A statement under section 212 of the companies Act 1956 in respect of the subsidiary company is enclosed herewith for information of members.

➤ **Employee Particulars:**

There are no employees covered under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and hence no information is required to be furnished.

➤ **Director's Responsibility Statement:**

Pursuant to Section 217(2AA) of The Companies Act, 1956, the directors confirm that, to the best to their knowledge and belief:

- (i) that in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimated that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the period.
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing the detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

➤ **Report on Corporate Governance and Auditor's Certificate:**

A separate section on Corporate Governance and a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges form part of Annual Report.

Directors would like to thank the shareholders, customers, dealers, suppliers, bankers and all other business associates for the continued support given by them to the Company and their confidence in its management.

For and on behalf of the Board of Directors
of Minal Engineering Limited

Sd/-

J. B. Parikh
Chairman

Place : Vadodra
Date : 31.05.2011

ANNEXURE TO DIRECTOR'S REPORT

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

1. CONSERVATION OF ENERGY

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

2. TECHNOLOGY ABSORPTION

- d) Efforts made in technology absorption : Not Applicable

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings : Rs. Nil
Foreign Exchange Outgo : Rs. Nil

Form A (See Rule 2)

Form for disclosure of particulars with respect to conservation of energy

A. Power and fuel Consumption		Current year	
1. Electricity			
a) Purchase Unit		13181.00	
Total Amount		19000.00	
Rate/ Unit		1.4415/-	
b) Own generation			
(i) Through diesel generator	Unit per-ltr of diesel oil Cost/unit		
(ii) Through steam turbine/ generator	Units per-ltr of fuel oil/gas Cost/unit		
2. Coal (specify quantity and where used)			
Quantity (tones)			
Total Cost			
Average Rate			
3. Furnace Oil			
Quantity (tones)			
Total Cost			
Average Rate			
4. Others			
Quantity (tones)			
Total Cost Rate/unit			
B. Consumption per unit of production			
	Standards If any	Current Year	Previous Year
Products (with details) unit			
Electricity			
Furnace Oil not ascertained			
Coal (specify quantity)			
Others (specify)			

Not Applicable

Not Applicable

FORM B (See Rule 2)

Form for disclosure of particulars with respect to absorption.

Research and Development (R&D)

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

Technology absorption, adoption and innovation

1. Efforts, in brief, made towards technology absorption, adoption and innovation
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction product development, import substitution etc.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year). Following information may be furnished:
 - (a) Technology Imported
 - (b) Year of Import
 - (c) Has technology been fully absorbed?
 - (d) Of not fully absorbed, areas where this has not take place, reasons therefore and future plans of action.

Not Applicable

REPORT ON CORPORATE GOVERNANCE

In compliance with the Clause 49 of the Listing Agreement entered with Stock Exchanges, the company herewith submits the report on the matters as mentioned in the said clause and practices followed by the company.

The company's philosophy on good corporate governance envisages a combination of business practices that result in enhancement of the value of the company to the shareholders and to fulfill its obligation to its other stakeholders.

MANDATORY REQUIREMENTS:
I. Board of Directors:
(A) Composition of Board:

The board of the company comprise of 6 directors out of it 1 director Mr. Shrikant Parikh, Managing Director is executive director and all the other directors are non- executive directors of the company out of the non executive directors two directors are independent directors. The Directors bring in wide range of expertise and experience to the Board, facilitating proficient and unbiased direction and control to the Company.

The composition of board is as under:

Directors	No of Board Meetings held	Board Meetings attended	No. of directorships held in other Public Ltd. companies	Attendance in the last AGM
Executive Director:				
Mr. Shrikant Parikh, Managing Director	9	9	1	Yes
Non- Executive Directors:				
Mr. J. B. Parikh, Chairman	9	9	1	Yes
Mr. Vikram J. Parikh, Director	9	9	Nil	Yes
Mr. Amul J. Patel, Director	9	9	Nil	No
Mr. J.V. Joshi, Director	9	9	Nil	Yes
Ms. Arpita S. Parikh	9	9	1	Yes

(B) Board and Committees:

During the year 2010-2011, the Board of Directors met on 9 occasions on the following dates 08/04/2010, 25/07/2010, 15/10/2010 15/11/2010, 25/12/2010, 30/01/2011, 14/02/2011, 28/02/2011, 12/03/2011

The board complies with Code of Conduct as provided for all Board members and Senior Management of the company. Compliance of the code is affirmed on annual basis every year.

The Board has constituted three committees as under:-

Audit Committee:
Composition:

The company has a qualified and independent audit committee comprising of:

- Mr. J.V.Joshi, Independent Director
- Mr. Amul J. Patel, Independent Director
- Mr. J.B. Parikh

Meetings

All the members of the committee are financially literate and the independent directors are having expertise in accounting and financial management. The constitution of the committee also meets with the requirement under Section 292A of The Companies Act, 1956. The Audit Committee has met four times during the financial year to review the accounting practices including review internal control/ audit system and financial statements of the company. The attendance of the directors was as follows:

Members of Audit Committee	Designation	No. of meetings attended
Mr. Amul J. Patel	Chairman	4
Mr. J. B. Parikh	Member	4
Mr. J. V. Joshi	Member	4

Minutes of the Audit Committee Meetings are noted by Board of Directors at the subsequent Board Meetings. The chairman of the meeting will be present at Annual General Meeting to answer the queries of shareholders, alternatively; he would decide who should answer the queries.

Shareholders/ Investors Grievance Committee:

The company has constituted a Shareholders' Grievance Committee consisting of two directors' viz. Mr. Amul J. Patel and Mr. J. B. Parikh. One Investor's complaint is pending at the end of the year due to non submission of requisite information by the investor.

The functions of the committee are to specifically look into the redressal of shareholder and investor complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc.

Members of Audit Committee	Designation	No. of meetings attended
Mr. Amul J. Patel	Chairman	4
Mr. J. B. Parikh	Member	4

Remuneration Committee:

The board has set up a Remuneration Committee comprising of:

- (i) Mr. J. B. Parikh, Chairman
- (ii) Mr. J. V. Joshi

The committee is set up to determine on behalf of Board of Directors and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment. The quorum of the meeting is all the members present. No meeting of Remuneration Committee was held during the year under review.

None of the Directors of the company are members of more than ten committees or acting as chairman of more than five committees.

The board periodically reviews compliance report of all laws applicable to the company.

(C) Remuneration to directors:

The company has remuneration committee consisting of two directors' viz. Mr. J. B. Parikh and Mr. J. V. Joshi. The details of remuneration paid to directors for the financial year 2010-11 are as under:

Name of Director	Sitting Fee	Salary & Other perquisites	Commission	Total
Mr. J. B. Parikh	—	—	—	—
Mr. Shrikant J. Parikh	—	Rs.1,20,000	—	—
Mr. Vikram J. Patel	—	—	—	—
Mr. Amul J. Patel	—	—	—	—
Mr. J. V. Joshi	—	—	—	—

II. Disclosures

1. Disclosure on materially significant related party transaction that may have potential conflict with the interest of company at large:-
None of the transactions with any of the related parties were in conflict with the interest of the company.
2. There were no instances of penalties imposed on the Company, by the Stock Exchange(s). SEBI, or any statutory on any matter related to capital markets, during last three years.
3. Senior Management discloses all material financial and commercial transactions, where they have material interest that may have potential conflict with the interest of the company at large to the board from time to time.

Management Discussion and Analysis Report:

The company has earned other incomes of Rs 49.62 Lacs. Net Profit of the company stood at Rs.1728.13 Lacs..

There was no material development in Human Resources/ Industrial Relations front, the relations with the employees remained cordial throughout the year.

Shareholders:

- o The company entered into agreement with M/s M.C.S. Ltd. as the Registrar & Transfer Agent to expedite the register and transfers of shares and to look into the redressal of shareholder and investors complaints, Shareholders/ Investors Grievance Committee consisting of Mr. Amul J. Patel and Mr. J. B. Parikh is formed.
- o Material financial and commercial transactions of the management (defined as 'Board of Directors'), where they have personal interest, that may have a potential conflict with the interest of the company at large have been reported to the Board from time to time.

Means of Communication

- o Quarterly financial results are submitted to the Stock Exchanges where the shares of the Bank are listed, within the stipulated time frame. Further, the quarterly financial results are also published in Business Standard, Loksatta, Asian Age and News Lines as per the statutory requirement.

- o **General Shareholder's Information:**

- (i) **Annual General Meeting:**

The Twenty Third Annual General Meeting of the Company will be held on Thursday 30th September, 2011 at 11.30 a.m. at the registered office of the company.

- (ii) **Financial year**

The financial year of the company is from 1st April to 31st March.

- (iii) **Date of Book Closure**

The Register of members and Share Transfer Books of the company will remain closed from 23rd Sep., 2011 to 29th Sep., 2011 to ascertain the members of the company for the purpose of Annual General Meeting of the Company.

- (iv) **Listing on Stock Exchanges**

The Names along with addresses of the Stock Exchanges where the securities of the company are listed are as under:-

- The Stock Exchange, Mumbai (BSE)
25th Floor, P.J. Towers, Dalal Street, Mumbai- 400 001
- Ahmedabad Stock Exchange (ASE)
Kamdhenu Complex, Nr. Polytechnic College, Panjra Pole, Ahmedabad
- Vadodara Stock Exchange (VSE)
Fortune Tower, Sayajigunj, Vadodara

Listing fee has been paid to all the stock exchanges till date.

- (v) **Stock Code**

The Stock Codes of the company at The Sock Exchange, Mumbai is 522235.

- (vi) **Market Price Data**

Market price on BSE from the month of April, 2010 to March, 2011 is as under.

Months	High (Rs.)	Low (Rs.)	Months	High (Rs.)	Low (Rs.)
April, 10	19.20	13.00	October 10	105.15	77.35
May, 10	19.80	14.35	November, 10	108.70	73.50
June, 10	72.30	20.90	December, 10	88.80	57.55
July, 10	130.00	75.90	January, 11	78.50	54.00
August, 10	129.00	89.40	February, 11	75.80	54.50
September, 10	117.00	96.60	March, 11	83.90	45.15

- (vii) **Registrar & Share Transfer Agent**

MCS Limited
Neelam Apartment, 88 Sampatrao Colony, Vadodara

- (viii) **Share Transfer System and Dematerialization:**

All the shares of the company are traded compulsory in the dematerialized form. The company has entered into an agreement with both NSDL and CDSL whereby the shareholders have an option to dematerialize their shares with depositories. Demat ISIN Number in NSDL and CDSL, for equity shares is INE097E01010.

As on 31st March, 2011, 51490665 shares were in Dematerialized form representing 71.61% of the total shares.

(ix) Distribution of Shareholding

Nominal value of Shareholding (Rs.)	Shareholders		Amount held	
	Numbers	% to total	In Rs.	% to total
1-500	603	30.4853	275372	0.1915
501-1000	359	18.1496	587846	0.4088
1001-2000	281	14.2063	871046	0.6057
2001-3000	158	7.9879	782078	0.5439
3001-4000	70	3.5389	497982	0.3463
4001-5000	124	6.2690	1086734	0.7557
5001-10000	159	8.0384	2460728	1.7112
10001-50000	165	8.3418	6820312	4.7429
50001-100000	29	1.4661	3762284	2.6163
And above	30	1.5167	126656918	88.0777
Total	1978	100.00	143801300	100.00

(x) Shareholding Pattern

Category	No. of shares held	percentage of shareholding
1 Promoter Holding	6554285	9.12
2 Mutual Funds and UTI	Nil	Nil
3 Banks, FI, Insurance Companies	Nil	Nil
4 Private Corporate Bodies	22418456	31.18
5 NRI's/ OCBS	30244708	42.06
6 Indian Public	12679871	17.64
7 Trusts	3330	0.00
8 Clearing Members in Transit	Nil	Nil
GRAND TOTAL	71,900,650	100.00

(xi) Site Location:

351, GIDC, Makarpura, Vadodara - 390 010. Tel. 0265- 2638506, 2642570, Fax: 2782254

(xii) Address for Investors' Correspondance:

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

o Particulars of past three Annual General Meetings:

	2008	2009	2010
Date of the AGM	30th September, 2008	30th September, 2009	30th December, 2010
Venue	Company's Registered Office at Baroda	Company's Registered Office at Baroda	Company's Registered Office at Mumbai

Note: All the resolutions set out in the respective Notices for the above Meetings, including the Special Resolutions were duly passed by the Shareholders with the requisite majority in each case. No resolution requiring Postal Ballot was passed at the above meetings.

2. Chief Executive Officer and Chief Finance Officer:

Mr. Shrikant Parikh, Managing Director and Mr. Vikram Parikh, Chief Finance Officer of the company review the financial statements and cash flow statements and also certify to the board regarding non omission of material fact and statements and compliance of existing accounting standards, applicable laws and regulations.

They also accept the responsibility for establishing and maintaining internal control systems and evaluating the effectiveness of the system and disclosing the same to Audit committee and auditors.

3. Corporate Governance Report:

The Statutory Auditors have certified that the company has complied with all the applicable mandatory requirements as provided in Clause 49 of the Listing Agreement entered into with the Stock Exchanges and the same is annexed to the Director's Report.

NON MANDATORY REQUIREMENTS:

The extent of implementation of non-mandatory requirements is furnished hereunder

(1) Remuneration Committee:

The board has set up a Remuneration Committee comprising of:

- (i) Mr. J. B. Parikh, *Chairman*
- (ii) Mr. J. V. Joshi

The committee is set up to determine on behalf of Board of Directors and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.

The quorum of the meeting is all the members present. The chairman of the meeting will be present at Annual General Meeting to answer the queries of shareholders, alternatively; he would decide who should answer the queries

Minal Industries Limited as a responsible corporate citizen believes that Corporate Governance is not just compliance with statutory requirements but doing what is best in the interest of all the stakeholders and the society at large in a transparent and ethical way.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Minal Industries Limited,

We have examined the compliance conditions of Corporate Governance by the Minal Industries Limited for the year ended 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the Minal Industries Limited with The Stock Exchange, Mumbai (BSE) and Vadodara Stock Exchange (VSE) and Ahmedabad Stock Exchange (ASE).

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

In our opinion and to the best of our information and according to 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.

We state that no investors' grievances are pending for a period exceeding one month against the bank as per the records maintained by the shareholders'/ Investors' Grievance Committee and certificate given by Registrar & Transfer Agent.

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

For R.H Modi & Co.
Chartered Accountants

Place : Mumbai
Date : 31.05.2011

(R.H Modi)
Proprietor

ADDENDUM TO THE DIRECTOR'S REPORT US 217(3)

Reply of Board of Directors to Audit Report for the year ended 31st March 2011

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

1. Non Provision of Diminution in value of Investment as required by Accounting Standard AS-13.
2. Non Provision for leave encashment and Gratuity Liabilities Payable upon retirement as required by Accounting Stand As-15 Employees Benefit

> Director's Comments on qualification(s), reservation(s) or adverse remark(s) of the auditors as per board Report

1. There has been diminution of Rs.3.53 Lacs in the value of Long Term Investments held by the company as at 31st March 2011. No provisions against the same has been considered necessary since in the opinion of management such diminution is of temporary in nature.
2. Total present liability for future payment of gratuity as on 31st March 2011 is neither provided nor actuality determined. These liabilities will be dealt with on cash basis.

COMPLIANCE CERTIFICATE

[As per rule 3 of the Companies (Compliance Certificate) Rules, 2001]

Registration No.: 04-10259

Nominal Capital: 60,00,00,000/-

To,
 The Members,
Minal Industries Limited,
 603, A- Wing, Minal Complex,
 Opp. Saki Vihar Road, Andheri (east) Mumbai

I/We have examined the registers, records, books and papers of **Minal Industries Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In my/our opinion and to the best of my/our information and according to the examinations carried out by me/us and explanations furnished to me/us by the company, its officers and agents, I/we certify that in respect of the afore-said financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure B to this certificate with the Registrar of Companies Regional Director, Central Government. Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The company being a public limited company, comments are not required.
4. The Board of Directors Duly met (9) times on 08/04/2010, 25/07/2010, 15/10/2010 15/11/2010, 25/12/2010, 30/01/2011, 14/02/2011, 28/02/2011, 12/03/2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company had closed its Register of Members from 23rd Sep, 2011 to 29th Sep 2011 (both date inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2010 was held on 30/12/2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. An Extraordinary General Meeting of the members of the company was duly held on the 16/05/2010.
8. The company has not advanced any loan to its directors or persons or firms or companies referred in section 295 of the Act.
9. The company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. The company has obtained necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to section 314 of the Act wherever applica-ble.
12. No duplicate shares certifi-cates were issued during the year under review.
13. The Company has :
 - (i) Allotted 2258000 shares w.e.f 28.02.2011 & 5752050 bonus shares w.e.f 12.03.2011 during the year under review.
 - (ii) The company has not declared dividends during the year under review.
 - (iii) The company has not violated the provisions of Section 205A, 205B, 205C of the Companies Act, 1956.
 - (iv) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly consti-tuted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies, if any, has been duly made.
15. The company has appointed Managing Director in compliance with provisions of Section 269 read with Schedule XIII of the Act.
16. The company has not appointed Sole Selling Agent during the year under review.
17. The company has obtained all necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provi-sions of the Act and the rules made there under.
19. The company has not allotted any securities during the financial year under review.
20. The company has not bought back any shares during the financial year ending 31st March, 2011.
21. The company has not redeemed preference shares/deben-tures during the year.
22. The company wherever necessary has kept in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provi-sions of the Act.
23. The company has not invited/accepted any deposits including unsecured loans falling within the purview sections 58A during the financial year.

24. The Company has not made any borrowings during the financial year ended 31st March, 2011.
25. The company has not made any additional loans and investments, (or not given guarantees or provided securities) to other bodies corporate as per Section 372 A and consequently no entries has been made in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny and has duly complied with the provisions of Companies Act, 1956.
29. The company has altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny w.e.f 16.05.2010. The Authorised capital has been increased from 1000 lacs to 6000 lacs. The face value of the Share Capital has been reduced to Rs 2/- Per share w.e.f 30.12.2010.
30. The company has not altered its articles of association to the extent of change in name of the company.
31. No prosecution initiated against and no show-cause notices received by the company for alleged offences under the Act and also there were no fines and penalties or any other punishment imposed on the company during the year ending 31st March, 2011. However, notices/orders were received from the office of the Securities and Exchange Board of India with respect to shareholder grievances which were duly satisfied.
32. The company has not received any amount as security from its employees during the year under certification.
33. The company has not constituted for its employees, Provident Fund scheme of its own, as per the meaning of section 418 of the Act.

Place : Vadodara
Date : 31/05/11

Minal Shah
MAS & Associates.
(Practising Company Secretary)
C.P. No. 5503

ANNEXURE 'A'

Registers as maintained by the company:

1. Register of Members u/s 150
2. Register of Transfer
3. Register of Directors, Managing Director, Manager and Secretary u/s 303
4. Register of Director's Shareholding u/s 307
5. Register of Contracts, companies and firms in which directors are interested u/s 301(3).
6. Minutes of Meeting of Board of Directors.
7. Minutes of Meeting of General Meetings.
8. Register of Loans and Investment u/s 372A.

ANNEXURE 'B'

Forms and returns as filed by the company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2011

Sr. No	Form No.	Filed under Section	Date of filing Document	For
1	Form 23	192	A8278860513/04/2010	Registration of Special Resolution for Change in Registered Office
2	Form 61	166(1)	A8413345330/04/2010	Application to the Registrar of Companies
3	Form 20 B	159	P6619492923/02/2011	Annual Return
4	Form 23 AC, 23 ACA	220	P6570062729/01/2011	Balance Sheet & Profit/loss
5	Form 66	383	P6569909229/01/2011	Compliance Certificate
	Form 23	192	B0635886524/02/2011	Registration of Special Resolution for Extension of Annual General Meeting
	Form 61	166(1)	A9793242011/11/2010	Application to the Registrar of Companies
6	Form 21		A9494999728/09/2010	Intimation of Court Order to Registrar
7	Form 18	17	B0787899416/03/2011	Change in Registered Office
8	Form 2	75	B0707920505/03/2011	Return on Allotment
9	Form 5	94	B0628770023/02/2011	Subdivision of Share Capital
10	Form 5	94	A8708188115/06/2010	Increase in Authorised Capital



AUDITOR'S REPORT

TO THE MEMBERS OF
MINAL INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **MINAL INDUSTRIES LIMITED**, as at March 31, 2011 and the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 of India and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. We report that:
 - a. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes 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 and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 *except the following*
 - (i) *Non Provision for diminution in value of investment as required by Accounting Standard (AS)-13 'Accounting for Investments' issued by the Institute of Chartered Accountants of India for reasons mentioned in note 3 of Schedule '17'*
 - (ii) *Accounting Standard (AS)-15 Revised "Accounting for Retirement benefits in the Financial Statements of the Employers" issued by the Institute of Chartered Accountants of India for reasons mentioned in note 4 of Schedule '17'*
 - e. On the basis of written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts *subject to:*
 - i) *In respect of non provision of diminution in value of investment of Rs. 3.53 Lacs (See note 3)*
 - ii) *In respect of non determination and non provision of gratuity liability and of liability towards leave encashment upon retirement. (See note 4)*and read with the other notes appearing thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011, and
 - (b) in the case of the Profit and Loss Account, of the PROFIT for the year ended on that date.
 - (c) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

FOR R. H. MODI & CO.
CHARTERED ACCOUNTANTS
(Registration no. 106486W)

Place : Mumbai
Date : 31/05/2010

R. H. MODI
PROPRIETOR
Membership No. 37643

ANNEXURE TO AUDITOR'S REPORT
(Referred to in paragraph 3 of the Auditor's Report to the members of
MINAL INDUSTRIES LIMITED for the year ended 31st-March, 2011)

1. (a) The Company has maintained memorandum of records showing details of fixed assets (except furniture and fittings and electrical installation). However, comprehensive fixed assets register is being complied.
- (b) The fixed assets of the Company have been physically verified by the management during the year; no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of Fixed Assets has not been disposed of by Company during the year.
2. (a) According to the information and explanations given to us, inventories have been physically verified by the management at reasonable intervals during the year.
- (b) According to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) According to the information and explanations given to us, the Company is maintaining proper records of its inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.

3. (a) According to the information and explanations given to us, the Company has granted unsecured loan to two Companies covered in the register maintained under Section 301 of the Companies Act, 1956. The details of loan are as under:

Name of the Company	Relationship	Maximum Amount involved	Year end Balance
Minal International FZE	Subsidiary Company	1,43,28,930	1,43,28,930
C Mahendra Infojewels Limited	Associate Company	6,28,21,563	6,26,96,563

- (b) The Company has granted interest bearing loan of Rs.1,38,55,117/- (net of exchange difference) to its subsidiary company which the company has made provision of interest income and the loan given to associate company is interest free In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been granted to the above Companies listed in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie* prejudicial to the interest of the Company.
- (c) The receipt of the principal amount is regular
- (d) There are no overdue amount and hence the provision of sub-clause (d) of clause 4(iii) of the Order are not applicable to the Company.
- (e) The Company has taken loan from Director covered in the register maintained under Section 301 of the Act. The details of loan are as under:

No of Directors	Maximum Amount outstanding during the year	Amount outstanding at the year end
1	Rs.6,36,15,000/-	Rs.42,40,000/-

- (f) No interest is paid and other terms and conditions on which loan has been taken from Directors listed in register maintained under section 301 are *Prima facie* not prejudicial for the interest of the Company.
- (g) The Company is regular in repaying the principal amount as stipulated.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, carried out accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 have been properly entered.



- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs. 5 lakhs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposit from public within the meaning of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
 7. The company has no internal audit system
 8. The matter specified in clause (viii) of paragraph 4 of the Order regarding maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act is not applicable to the Company.
 9. (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess, and other statutory dues applicable with the appropriate authorities during the year, and there were no such outstanding dues as at March 31, 2011 for a period exceeding six months from the date they became payable.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess, which have not been deposited on account of dispute.
 10. The Company has no accumulated losses as at March 31, 2011 after considering the balance in Reserve and Surplus account as at that date and has also not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
 11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, banks. There are no debenture holders.
 12. According to the information and explanations give to us, the Company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
 13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
 14. In our opinion, the Company is not a dealer or trader in shares, securities debentures and other investment and hence, requirement of paragraph 4(xiv) are not applicable to the Company.
 15. According to the records of the company and the information and explanations provided by the management, the company has not given any guarantee for loans taken by others from banks or financial institutions.
 16. According to the records of the company, the company has not obtained any term loans during the year.
 17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment by the company.
 18. According to the records of the company and the information and explanations provided by the management, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
 19. The Company has not issued any debentures during the year.
 20. The Company has not raised any money through a public issue during the year.
 21. During the course of our explanations of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

FOR R. H. MODI & CO.
CHARTERED ACCOUNTANTS
(Registration no. 106486W)

Place : Mumbai
Date : 31/05/2010

R. H. MODI
PROPRIETOR
Membership No. 37643

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As At 31-Mar-11	As At 31-Mar-10
Sources Of Funds			
Share Holders Funds			
Share Capital	1	143,801,300	71,253,800
Reserves & Surplus	2	332,420,507	35,324,655
		<u>476,221,807</u>	<u>106,578,455</u>
Loan Funds :			
Unsecured Loans	3	4,240,000	175,000
Deferred Tax Liability		472,700	1,035,101
Total		<u>480,934,507</u>	<u>107,788,556</u>
Application Of Funds			
Fixed Assets :			
Gross Block	4	24,833,919	24,688,949
Less : Depreciation		9,841,901	9,136,713
Net Block		14,992,018	15,552,236
Investments	5	171,264,056	55,063,974
Current Assets Loans & Advances			
A) Inventories	6	30,506,582	23,556,394
B) Sundry Debtors		2,686,462,134	427,212
C) Cash & Bank Balance		4,162,217	2,408,854
D) Loans & Advances		89,861,583	23,559,101
		<u>2,810,992,516</u>	<u>49,951,561</u>
Less : Current Liabilities & Provisions			
A) Current Liabilities	7	2,516,314,082	5,351,135
B) Provisions		—	7,428,080
		<u>2,516,314,082</u>	<u>12,779,215</u>
Net Current Assets		294,678,434	37,172,346
Miscellaneous Expenditure (Extent Not Written Off Or Adjusted)	8	—	—
		<u>480,934,507</u>	<u>107,788,556</u>
Accounting Policies And Notes Thereon Forming Part Of The Accounts	17		

As Per Our Report Attached
For R.H.Modi & Co.
Chartered Accountants

R.H.Modi
Proprietor
Membership No. 37643
Place : Mumbai
Date : 31/05/2010

For Minal Industries Limited

Managing Director Director

Place : Mumbai
Date : 31/05/2010



PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Year Ended 31-Mar-11	Year Ended 31-Mar-10
Income			
Sales	9	2,876,969,083	2,464,163
Share In Profit From Partnership Firms	10	72,530,784	3,893,806
Other Income	11	4,962,257	1,584,647
Total		2,954,462,124	7,942,616
Expenditure			
Cost Of Goods Sold	12	2,771,932,444	1,453,226
Increase / (Decrease) In Stock	13	196,490	170,083
Manufacturing Expenses	14	1,094,881	270,403
Payments To & Prov. For Employees	15	393,649	556,622
Directors Remuneration		120,000	120,000
Administrative, Selling & Other Exp.	16	3,731,215	3,067,796
Interest & Finance Charges		71,866	135,642
Depreciation		705,188	989,984
Preliminary Expnses W/Off		2,965,300	84,000
Total		2,781,211,032	6,847,755
Profit Before Taxation		173,251,092	1,094,861
Less : Provision For Taxation		1,000,000	—
Less :Deferred Tax Liability / (Assets)		(562,401)	127,342
Less : Income Tax For Earlier Years		—	24,239
		172,813,492	943,280
Balance As Per Last Year		16,012,361	22,497,161
Amount Available For Appropriation		188,825,853	23,440,441
Appropriation			
Proposed Dividend		—	6,370,080
Tax On Proposed Dividend		—	1,058,000
Balance Carried To Balance Sheet		188,825,853	16,012,361
		188,825,853	23,440,441
No. Of Shares		12,320,091	10,616,800
Basic / Diluted Earning Per Share		14.03	0.09
Accounting Policies & Notes Forming Part Of The Accounts	17		

As Per Our Report Attached
For **R.H.Modi & Co.**
Chartered Accountants

For Minal Industries Limited

R.H.Modi
Proprietor
Membership No. 37643
Place : Mumbai
Date : 31/05/2010

Managing Director Director

Place : Mumbai
Date : 31/05/2010

SCHEDULE FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

	CURRENT YEAR 31-Mar-11	PREVIOUS YEAR 31-Mar-10
SCHEDULE '1' : SHARE CAPITAL		
AUTHORISED		
60,000,000 EQUITY SHARES OF RS.10/-EACH (P.Y.10,000,000 Equity Shares of Rs. 10/- each)	600,000,000	100,000,000
ISSUED, SUBSCRIBED & PAID UP :		
14380130 EQUITY SHARES OF RS.10/- EACH FULLY PAID UP (P.Y. 6370080 Equity Shares of Rs. 10/- each)	143,801,300	63,700,800
FORFEITED SHARES		
Amount Originally paid-up on Forfeited Shares	—	7,553,000
	<u>143,801,300</u>	<u>71,253,800</u>
<i>* of the above, following were allotted :</i>		
<i>as fully paid up shares</i>		
22,58,000 in 2010-11 on account of forfeiture shares reissued		
<i>as fully paid up bonus shares</i>		
2,82,150 in 1993-94 by capitalisation of Rs. 1600000/-from General Reserve and Rs. 1221500/- from Revaluation reserve		
50,42,980 in 2006-07 by capitalisation of Rs. 50429800/-from General Reserve		
5752050 in 2010-11 by capitalisation of Rs. 57520500/-from Share Premium		
SCHEDULE '2' : RESERVES & SURPLUS		
INVESTMENT ALLOWANCE RESERVE		
Balance as per Last year Balance Sheet	277,810	277,810
CAPITAL RESERVE		
Balance as per Last year Balance sheet		
State Subsidy	261,231	261,231
Central Subsidy	219,000	219,000
Capital Reserve		
Balance as per Last year Balance sheet	—	—
ADD: DURING THE YEAR	7,553,000	—
	<u>7,553,000</u>	—
SHARE PREMIUM		
Balance as per Last year Balance sheet	—	—
ADD: DURING THE YEAR	174,249,860	—
	<u>174,249,860</u>	—
Less : Issue of Bonus Shares	(57,520,500)	—
	<u>116,729,360</u>	—
REVALUATION RESERVE		
Balance as per Last year Balance sheet	161,883	161,883
GENERAL RESERVE		
Balance as per Last year Balance sheet	18,392,370	18,392,370
ADD: DURING THE YEAR	—	—
	<u>18,392,370</u>	<u>18,392,370</u>
PROFIT & LOSS ACCOUNT		
As per the Annexed Accounts	188,825,853	16,012,361
	<u>332,420,507</u>	<u>35,324,655</u>
SCHEDULE '3' : UNSECURED LOANS		
From Directors	4,240,000	175,000
	<u>4,240,000</u>	<u>175,000</u>

SCHEDULE '4' : FIXED ASSETS

SR. NO.	PARTICULAR	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		AS ON 1-Apr-10	ADDI- TION	DEDUC- TION	AS ON 31-Mar-11	RATE	AS ON 1-Apr-10	FOR THE YEAR	AS ON 31-Mar-11	AS ON 31-Mar-11
1	Leasehold Land	543,235	—	—	543,235		—	—	543,235	543,235
2	Factory Building	921,244	—	—	921,244	1.63%	453,751	15,016	468,767	467,493
3	Office Premises	10,812,700	—	—	10,812,700	1.63%	652,851	176,247	829,098	10,159,849
4	Plant & Machinery	5,246,152	—	—	5,246,152	4.75%	5,229,508	16,644	5,246,152	16,644
5	Electric Fittings	839,852	88,820	—	928,672	4.75%	113,069	40,968	154,037	726,783
6	Office Equipments	118,578	15,250	—	133,828	4.75%	55,402	5,815	61,217	63,176
7	Computers	428,715	3,250	—	431,965	16.21%	416,832	11,978	428,810	11,883
8	Furniture & Fixtures	3,502,929	37,650	—	3,540,579	6.33%	577,891	222,343	800,234	2,925,038
9	Vehicles	2,275,544	—	—	2,275,544	9.50%	1,637,409	216,177	1,853,586	638,135
Total Rs.		24,688,949	144,970	—	24,833,919		9,136,713	705,188	9,841,901	15,552,236
Previous Year		24,651,889	37,060	—	24,688,949		8,146,729	989,984	9,136,713	15,552,236

NOTE:-

Plant and Machinery were revalued on 31.03.1993 by a registered valuer and accordingly the Gross Block of the Plant and Machinery was increased by Rs. 13,83,383/- by transferring the said amount to Revalued Reserve.

	CURRENT YEAR 31-Mar-11	PREVIOUS YEAR 31-Mar-10
--	------------------------------	-------------------------------

SCHEDULE '5' : INVESTMENTS
a) QUOTED
i) Non Trade Investments

11000 (Previous year 11000) Equity Shares in Estern Mining Ltd. Of Rs.10/- each	352,000	352,000
100 (Previous year 100) Equity Shares in Vardhman Wires & Polymers Ltd. Of Rs.10/-each	1,000	1,000
	353,000	353,000

b) UNQUOTED
i) Trade Investment
i) Subsidiary Companies

1 Share in Minal International FZE (Sharjah)		
1 Share of 1,50,000 AED each.	1,837,500	1,837,500

ii) Associate Companies

4625000 (Previous Year Nil) Equity Shares in C Mahendra Infojewels Limited of Rs. 10/- each.	46,250,000	—
--	------------	---

ii) INVESTMENT IN PARTNERSHIP FIRM

Capital in C.Mahendra Infojewels	—	52,872,974
Capital in M/s RSBL Jewels	122,823,056	—
	122,823,056	52,872,974

iii) Non Trade Investment

Share in Sterling Centre Premises Owners Co-op Society Ltd.of Rs.500/- each.	500	500
	500	500
	171,264,056	55,063,974

	CURRENT YEAR 31-Mar-11	PREVIOUS YEAR 31-Mar-10
SCHEDULE '6' : CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
a) INVENTORIES (As taken, valued & Certified by a Director)		
Traded Goods	29,286,577	22,139,899
Finished Goods	—	194,167
Work-in-process	1,220,005	1,222,328
	<u>30,506,582</u>	<u>23,556,394</u>
b) SUNDRY DEBTORS (Unsecure, considered Good)		
Exceeding Six months	90,792,683	111,508
Others	2,595,669,451	315,704
	<u>2,686,462,134</u>	<u>427,212</u>
c) CASH & BANK BALANCES		
Cash on Hand	3,690,832	1,352,340
Balance with Schedule Banks:		
In Current Accounts	335,905	427,735
In Fixed Deposit Accounts	135,481	628,779
	<u>4,162,217</u>	<u>2,408,854</u>
d) LOANS & ADVANCES		
Advances recoverable in cash or in kind or value to be received	11,098,563	13,839,364
Loan to Group Companies incl Subsidiary	77,025,493	7,188,500
Advance Income Tax (Net of Provision) (incl Provision for Taxes Rs. 14.39 Lacs, and Rs.4.39 Lacs for P.Y.)	320,738	1,279,448
Deposits	1,416,789	1,251,789
	<u>89,861,583</u>	<u>23,559,101</u>
SCHEDULE '7' : CURRENT LIABILITIES & PROVISION		
a) CURRENT LIABILITIES		
Sundry Creditors	2,514,838,871	5,083,344
Other Liabilities	1,475,211	267,791
	<u>2,516,314,082</u>	<u>5,351,135</u>
b) PROVISIONS		
Proposed Dividend	—	6,370,080
Tax on Proposed Dividend	—	1,058,000
	<u>—</u>	<u>7,428,080</u>
	<u>2,516,314,082</u>	<u>12,779,215</u>

	CURRENT YEAR 31-Mar-11	PREVIOUS YEAR 31-Mar-10
SCHEDULE '8' : MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
PRELIMINARY EXPENSES		
Balance as per last year	2,965,300	84,000
Less : Written off during the year	(2,965,300)	(84,000)
	<u>—</u>	<u>—</u>
SCHEDULE '9' : SALES		
Local Sales (Net Of Sales Return,Discount)	163,125,577	2,464,163
Export Sales	2,713,843,506	—
	<u>2,876,969,083</u>	<u>2,464,163</u>
SCHEDULE '10' : SHARE OF PROFIT / (LOSS) FROM PARTNERSHIP FIRM		
M/S C Mahendra Infojewels	(192,272)	3,893,806
M/S RSBL Jewels	72,723,056	—
	<u>72,530,784</u>	<u>3,893,806</u>
SCHEDULE '11' : OTHER INCOME		
Job Work Income (Tds Rs.Nil P.Y. Rs.Nil)	95,905	41,400
Rent	48,000	48,000
Discount Kasar	1,315	5,507
Exchange Rate Diff (Net)	4,331,863	—
Interest Income On Loan To Subsidiary	473,813	—
Interest Income On FD (Tds Rs.1136/- P.Y. Rs.148974/-)	11,361	1,489,740
	<u>4,962,257</u>	<u>1,584,647</u>
SCHEDULE '12' : COST OF GOODS SOLD		
Opening Stock	22,139,899	23,315,348
Add : Purchase	2,779,079,122	277,777
	<u>2,801,219,021</u>	<u>23,593,125</u>
Less : Closing Stock	29,286,577	22,139,899
Total	<u>2,771,932,444</u>	<u>1,453,226</u>
SCHEDULE '13' : INCREASE / (DECERASE) IN STOCK		
Closing Stock Of Finished Goods	—	194,167
Closing Stock Of Work-In-Progress	1,220,005	1,222,328
Opening Stock Of Finished Goods	194,167	364,250
Opening Stock Of Work- In- Progress	1,222,328	1,222,328
	<u>(196,490)</u>	<u>(170,083)</u>

	CURRENT YEAR 31-Mar-11	PREVIOUS YEAR 31-Mar-10
SCHEDULE '14' : MANUFACTURING EXPENSES		
Labour Charges	151,865	30,240
Power & Fuel	144,680	212,965
Freight, Octroi Charges	1,145	6,500
Clearing & Forwarding Charges	785,782	—
Packing Material	740	3,666
Consumable & General Stores	10,669	17,032
	<u>1,094,881</u>	<u>270,403</u>
SCHEDULE '15' : PAYMENT TO & PROV. FOR EMPLOYEES		
Salary Wages & Other Allowances	285,545	482,920
Contribution To Esi	5,740	11,855
Staff Welfare Expenses	30,814	61,847
Gratuity	71,550	—
	<u>393,649</u>	<u>556,622</u>
Schedule '16' : Administrative, Selling & Other Exp		
Printing & Stationary	104,305	86,845
Postage & Telephone Expenses	99,481	110,767
Travelling & Conveyance	471,724	200,207
Rent, Rates & Taxes	1,193,763	593,177
Auditors Remuneration	125,789	60,000
Professional & Legal Fees	1,033,605	110,842
Advertisement Expenses	109,593	29,636
Exchange Rate Diff (Net)	—	532,897
Repair & Main Of Machinery	41,715	77,555
Repair & Main Of Computer	596	10,000
Sales Promotion Expenses	36,213	569,842
Insurance Premium	183,246	334,250
Miscellaneous Expenses	142,440	156,027
Security Charges	15,000	58,848
Donation	800	4,617
Filing Fees	169,587	126,853
Bad Debts Written Off	3,358	5,433
	<u>3,731,215</u>	<u>3,067,796</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**1) SIGNIFICANT ACCOUNTING POLICIES.**

I) The Accounts have been prepared on historical cost basis, ignoring changes, if any, in the purchasing power of money and on the accounting principles of 'going concern' concept except otherwise stated.

II) REVENUE RECOGNITION:

All revenues and expenses are accounted on accrual basis, except to the extent stated otherwise.

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 basis as per the rates and method prescribed under Schedule XIV to the Companies Act, 1956.

V) INVESTMENTS

Long Term Investments are valued at cost, provisions for diminution in value of investment is made if in the opinion of the management, the decline is permanent in nature.

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.

VII) RETIREMENT BENEFITS

a) Gratuity Liability is accounted as and when paid.

b) Leave Encashment Liability is accounted as and when paid.

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) MISCELLANEOUS EXPENDITURE

Preliminary expenses are written off in the year of expenses incurred.

X) BORROWING COSTS

Borrowing Costs directly attributed to the acquisition of Fixed Assets are capitalised as a part of the cost of Asset upto the date the Asset is put to use. Other Borrowing Costs are charged to the Profit and Loss Account in the year in which they are incurred.

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 recognised subject to the consideration of prudence on timing differences, being the difference between Taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods.

XIII) PROVISIONS CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes after careful evaluation by the management of the facts and legal aspects of the matters involved. Contingent Assets are neither recognized nor disclosed in the financial statements.

- 2) i) In consultation with the Vadodara Stock Exchange and after due compliance of legal requirements, the Company had forfeited 22,58,000 Equity Shares of Rs. 10/- each
- ii) During the year company has reissued 22,58,000 forfeited shares at a premium of Rs. 77.17 per share. The balance in forfeited share capital account is transferred to capital reserve.
- 3) There has been a diminution of Rs. 3.53 Lacs in the value of long term investments held by the Company as at 31st March, 2011. No provision against the same has been considered necessary since in the opinion of management such diminution is of temporary in nature.
- 4) a) Total present liability for future payment of gratuity as on 31st March, 2011 is neither provided nor actuarially determined. This liability will be dealt with on cash basis which is not in accordance with Accounting Standard (AS) 15- 'Employee Benefit' issued by the Institute of Chartered Accountants of India.
- b) Leave encashment liability, if any, has not been determined, presently, and would be charged when paid. This liability will be dealt with on cash basis which is not in accordance with Accounting Standard (AS) 15- 'Employee Benefit' issued by the Institute of Chartered Accountants of India.
- 5) During the year the Company has accounted for deferred tax in accordance with the Accounting Standard 22 - "Accounting for Taxes on Income" issued by the Institute of Chartered Accountings of India.

The break up of deferred tax balance is as under:

Deferred Tax Liability / (Assets)	(Rs. In Lacs)	
	31/03/2011	31/03/2010
On account of Depreciation	(5.62)	1.27
Net Deferred Tax Liability	4.73	10.35

6) SEGMENT REPORTING
SEGMENT RESULTS OF PRIMARY BUSINESS SEGMENTS

		(Rs. in lacs)			
Sr No	Particulars	Engineering Division (Rs.)	Jewellery Division (Rs.)	Other (Rs.)	Total (Rs.)
1	Revenue				
	a) External Sales				
	i) Manufactured Goods	2.54 -2.01	— (—)	— (—)	2.54 -2.01
	ii) Traded Goods	2.85 (—)	28,764.30 -22.63	— (—)	28767.15 -22.63
	b) Unallocated corporate Income				
	Share in Profit / Loss Partnership Firm			725.31 -38.94	725.31 -38.94
	c) Other Income	1.44 -0.89	0.01 -0.1		1.45 -0.99
	Total Revenue	6.83 -2.9	28764.3 -22.73	725.31 -38.94	29496.5 -64.57
2	Segment Result				
	Profit before Interest, Tax & Depreciation	2.23 (-2.19)	1007.89 (-29.45)	725.38 -38.94	1735.43 -7.3
	Less: Depreciation				7.05 -9.9
	Add.: Interest Received				4.85 -14.9
	Less: Interest Paid				0.72 -1.36
	Less: Provision for Taxation				4.38 -1.52
	Net Profit / Loss				1728.13 -9.43
3	Other Information				
	Segment Assets	16.44 -17.87	27153.3 -221.97	2802.8 -965.84	29972.5 -1205.68
	Segment Liabilities	0.15 -0.41	25156.18 -47.23	6.81 -80.15	25163.14 -127.79
	Capital Expenditure	— (—)	— (—)	1.45 -0.37	1.45 -0.37
	Depreciation			7.05 -9.9	7.05 -9.9

7) TRANSACTIONS WITH RELATED PARTY

Related Party	Description of Nature of Transactions	Transactions during the year 2010/2011	Outstanding Balance as on 31/03/2011	Transactions during the year 2008/2010	Outstanding Balance as on 31/03/2010
A) With Directors					
Shri Shrikant J..Parikh	i) Remuneration	1,20,000	—	1,20,000	—
	ii) Loan reced	6,56,85,000	Cr. 42,40,000	1,75,000	Cr. 1,75,000
	iii) Loan Repaid	6,16,20,000	—	—	—
B) With Subsidiary					
1) Minal International FZE	i) Loan Given	71,40,430	Dr. 1,43,28,930	71,88,500	Dr. 71,88,500
C) With Associates					
1) C. Mahendra Info Jewels.	Purchases	—	NIL	—	Cr.38,31,625
2) C Mahendra Infojewels Ltd (wef 10.08.2010)	i) Loan Given	6,98,28,563	Dr. 6,26,96,563	—	—
	ii) Loan Repaid	71,32,000	—	—	—
3) Minal Electrical & Engineering	i) Rent Received	48,000	—	48,000	—
	ii) Job work / Sales	—	Dr. 3,70,178	—	Dr. 2,71,323
	iii) Loan Received	—	—	4,50,000	—
	iv) Loan Repaid	—	—	4,50,000	—
4) Minal Plastic Product	i) Rent Paid	57,000	Dr. 3,480	36,000	Cr 44,500
	ii) Sales	1,15,100	—	—	—
5) Minal Exim Pvt Ltd	i) Loan Given	6,000	NIL	1,00,000	Dr. 1,00,000
	ii) Loan Repaid	1,06,000	—	—	—
6) Selection Inc	i) Purchase	11,66,22,978	Cr. 9,40,27,988	—	—
D) With Key Management Personnel					
Anila S.Parikh	Salary	—	—	20,000	—
Brijal A.Gandhi	Salary	—	—	60,000	—

- 8) The Company is a Partner in various firms where in the share in profit / (loss) of each partner, the total capital of all the partners as on 31st March, 2011 are stated as under :

A NAME OF THE FIRM	SHARE OF PROFIT/LOSS		
	C. Mahendra Info jewels		RSBL Jewels
B PARTNERS	Till 30.04.2010	Till 09.08.2010	From 27.06.2010
1. SHRI SHRIKANT J. PARIKH	48.25%	47.50%	—
2. MINAL ENGINEERING LTD.	18.50%	18.50%	99.00%
3. C.MAHENDRA JEWELS PVT LTD.	32.50%	32.50%	—
4. SHRI JESINGLAL B.PARIKH	0.75%	0.75%	—
5. MINAL LIFESTYLES PVT LTD	—	0.75%	—
6. MINAL INFRACONS PVT LTD	—	0.75%	—
7. MINAL INFRASTRUCTURES & PROPERTIES PVT LTD	—	0.75%	—
8. SHRI MEHUL DINESHKUMAR KOTHARI	—	—	1.00%
	100%	100%	100%
C TOTAL CAPITAL OF THE PARTNERS		RS. 64,37,08,877	RS. 12,47,65,175

9) REMUNERATION TO AUDITORS

	2010-11	2009-10
a) Audit Fees	90,493	60,000
b) Taxation Matters	—	—
c) Others	35,296	—
Total	1,25,789	60,000

10) EARNING PER SHARE

Earning per share (EPS) is calculated in accordance with Accounting Standard – 20 as under

	2010-11	2009-10
Net Profit after taxation (Rs.)	17,28,13,493	9,43,280
Weighted average of Equity Shares (Nos)	12320091	10616800
Nominal Value of Equity Share (Rs.)	10	10
EPS (Rs.)	14.03	0.09

11) 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 2011.

12) Sundry Debtors includes Rs. 2,23,083/- being amount due from the firm in which Directors are interested (Maximum Outstanding during the year Rs.2,74,083 /-)(Previous Year Rs. 2,74,083/-)

Loans and Advances includes Rs. 1,43,28,930/- being amount given to Wholly Owned Subsidiary company. (Maximum Outstanding during the year Rs.1,43,28,930/-)(Previous Year Rs. 71,88,500/-)

Loans and Advances includes Rs. NIL being amount lent to concern in which Directors are interested (Maximum Outstanding during the year Rs.1,06,000/-)(Previous Year Rs. 1,00,000/-)

13) The Company is in process of appointing a full time Company Secretary by the provision of Section 383A of the Companies Act, 1956. In the absence of the Company Secretary, these financial statements have not been authenticated by a whole time Company Secretary under Section 215 of Companies Act, 1956.

14) As required by the Notification No. GSR 129(F) dated 22nd 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.

15) 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.

16) Balances of debtors, loans and advances and creditors are subject to confirmations.

17) Previous year figures are regrouped, re-arranged and recast wherever felt necessary so as to make them comparable with that of current year.

18) Additional information pursuant to provisions of Paragraph 3 & 4 in Part –II of Schedule-VI to the Companies Act, 1956.

Information in respect of goods manufactured / purchased for resale, sold and stocks (As Certified by a Director)

	2010-2011	2009-2010
A Licensed Capacity	N.A.	N.A.
Installed Capacity	N.A.	N.A.
ACTUAL PRODUCTION		
a) Braille Typewriters	Nil	Nil
b) Parts	Nil	Nil

B) i) STOCK OF MANUFACTURED FINISHED GOODS AND TURNOVER

Particulars	(Rs. In Lac)					
	Opening Stock		Closing Stock		Sales	
	Qty	Value	Qty	Value	Qty	Value
Braille Typewriter	27	1.94	—	—	27	2.54
	(47)	(3.64)	(27)	(1.94)	(20)	(2.02)
Job-Work						0.96
						(0.41)
						3.50
						(2.43)

ii) GOODS FOR RESALE / TRADING

Particulars	(Rs. In Lac)							
	Opening Stock		Purchase		Closing Stock		Sales	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Jewellery & Consumer Items	109787	221.40	376255.74	27790.79	117221.86	292.87	368848.74	28769.69
	(110814)	(233.15)	(52.90)	(2.78)	(109787)	(221.40)	(1079)	(22.63)
								28747.74
								(22.63)

Figures in brackets pertain to previous year.

C) DETAILS OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED
a) STORES AND SPARES

Imported	NIL	NIL	NIL	NIL
Indigenous	0.11	100.00	0.17	100.00
TOTAL RS.	0.11	100.00	0.17	100.00

D) CIF Value of Imports

Rs. 26183.07 NIL

E) Expenditure in Foreign Currency

NIL NIL

F) Earning in Foreign Currency

Rs. 27,138.44 NIL

As Per Our Report Attached
For R.H.Modi & Co.
Chartered Accountants

For Minal Industries Limited

R.H.Modi
Proprietor
Membership No. 37643
Place : Mumbai
Date : 31/05/2010

Managing Director Director

Place : Mumbai
Date : 31/05/2010



BALANCE SHEET ABSTRACTS & COMPANY'S GENERAL BUSINESS PROFILE

(Pursuant to Part IV of Schedule VI of The Companies Act, 1956)

I Registration Details

Registration No.	16905	State Code	04
Balance Sheet Date	31.03.2011		

II Capital raised during the year (Amount in Rs. Thousand)

Public Issue	22580000	Right Issue	NIL
Bonus Issue	57520500	Private Placements	NIL
Others	NIL		

III Position of Mobilization & Deployment of funds

Total Liabilities	2997248590	Total Assets	2997248590
-------------------	------------	--------------	------------

Sources

Paid up Capital	143801300	Reserves & Surplus	332420507
Share Application Money	—	Secured Loans	—
Unsecured Loans	4240000	Deferred Tax Liability	472700

Applications

Net Fixed Assets	14992018	Investments	171264056
Net Current Assets	294678434	Misc. Expenditure	—
Accumulated Losses	—		

IV Performance of the Company

Turnover	2876969083	Total Expenditure	2781211032
Profit/Loss before Tax	173251092	Profit/Loss after Tax	172813492.50
Earning per Share (Rs.)	2.40	Dividend Rate (%)	—

V Generic Names of the Principle Products of the company

Item Code	8469200120
Product Description	BRILLE TYPEWRITER

As Per Our Report Attached
For R.H.Modi & Co.
Chartered Accountants

For Minal Industries Limited

R.H.Modi
Proprietor
Membership No. 37643
Place : Mumbai
Date : 31/05/2010

Managing Director Director

Place : Mumbai
Date : 31/05/2010

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 ST MARCH 2011

	RS.	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
A CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax		173,251,092	1,094,861
ADJUSTMENT FOR:			
Depreciation	705,188		989,984
Interest expenditure	71,866		135,642
Interest / Dividend Income	485,174	291,880	1,489,740
Operating Profit before working capital changes		173,542,972	730,746
ADJUSTMENT FOR :			
Trade and other receivables	(2,752,337,404)		(4,373,806)
Inventories	(6,950,188)		1,345,532
Trade payables and other liabilities	2,503,534,867	(255,752,725)	4,415,364
Cash generated from operations		(82,209,753)	2,117,836
Taxes Paid	(1,000,000)	(1,000,000)	(24,239)
		(83,209,753)	2,093,597
Add : Extra ordinary items -Prl. Exp.w/off		—	84,000
Net Cash from Operating activities		(83,209,753)	2,177,597
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(144,970)	(37,060)
Investment in Partnership firm		(69,950,082)	(12,405,567)
Investment in Subsidiary Company		—	(1,837,500)
Investment in Associates		(46,250,000)	—
Interest Income		485,174	1,489,740
Net cash used in Investing activities		(115,859,879)	(12,790,387)
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Shares Capital and Reserve		196,829,860	—
Proceeds from borrowings(Net of repayment)		4,065,000	74,143
Interest Paid		(71,866)	(135,642)
Dividend paid Including Tax		—	(7,428,080)
Net cash from financing activities		200,822,994	(7,489,578)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)		1,753,362	(18,102,368)
Cash and cash equivalents- opening balance		2,408,854	20,511,222
Cash and cash equivalents- Closing balance		4,162,217	2,408,854
Net increase/(decrease) as disclosed above		1,753,362	(18,102,368)

As Per Our Report Attached
For R.H.Modi & Co.
Chartered Accountants

For Minal Industries Limited

R.H.Modi
Proprietor
Membership No. 37643
Place : Mumbai
Date : 31/05/2010

Managing Director Director
Place : Mumbai
Date : 31/05/2010

**AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS
OF MINAL INDUSTRIES LIMITED AND ITS SUBSIDIARY**

To,
The Board of Directors
MINAL INDUSTRIES LIMITED

1. We have audited the attached consolidated balance sheet of Minal Industries Limited ('the Company') and its subsidiary (collectively referred as 'the Group'), as at 31 March 2011, the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of Minal International FZE the subsidiary company, whose financial statements reflects total assets of Rs.3268.82 Lacs as at 31 March 2011, total revenue (net turnover) of Rs.20124.15 Lacs and net cash outflows amounting to Rs.1518.74 Lacs 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, and our opinion, in so far as it relates to the amounts included in respect of the said subsidiary, is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS)-21, "Consolidated Financial Statements as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on the consideration of reports of other auditors on separate financial statements and on other financial information of the components, and to the best of information and according to the explanations given to us, we are of the opinion that the attached Consolidated financial statements read together with the accounting principles generally accepted in India:
 - i. in the case of the consolidated balance sheet, of the state of affairs of the Group as at 31 March 2011;
 - ii. in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
 - iii. in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

FOR R. H. MODI & CO.
CHARTERED ACCOUNTANTS
(Registration no. 106486W)

Place : Mumbai
Date : 31/05/2010

R. H. MODI
PROPRIETOR
Membership No. 37643

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As At 31-Mar-11	As At 31-Mar-10
Sources Of Funds			
Share Holders Funds			
Share Capital	1	143,801,300.00	71,253,800.00
Reserves & Surplus	2	549,098,131.88	102,137,767.63
		<u>692,899,431.88</u>	<u>173,391,567.63</u>
Loan Funds :			
Unsecured Loans	3	4,240,000.00	1,400,000.00
Deferred Tax Liability		472,700.00	1,035,101.00
		<u>697,612,131.88</u>	<u>175,826,668.63</u>
Application Of Funds			
Fixed Assets :			
Gross Block	4	24,833,919.00	24,688,949.00
Less : Depreciation		9,841,901.41	9,136,713.41
Net-Block		14,992,017.59	15,552,235.59
Investments	5	169,426,556.10	53,226,474.00
Current Assets Loans & Advances			
A) Inventories	6	30,506,582.25	49,326,082.00
B) Sundry Debtors		2,939,795,497.91	669,914,077.25
C) Cash & Bank Balance		6,319,362.99	11,678,857.62
D) Loans & Advances		146,924,103.08	16,417,151.00
		<u>3,123,545,546.23</u>	<u>747,336,167.87</u>
Less : Current Liabilities & Provisions			
A) Current Liabilities	7	2,610,351,988.04	632,860,129.43
B) Provisions		—	7,428,080.00
		<u>2,610,351,988.04</u>	<u>640,288,209.43</u>
Net Current Assets		<u>513,193,558.19</u>	<u>107,047,958.44</u>
Miscellaneous Expenditure (Extent Not Written Off Or Adjusted)	8	—	—
		<u>697,612,131.88</u>	<u>175,826,668.63</u>

Accounting Policies And Notes Thereon Forming Part Of The Accounts 17

 As Per Our Report Attached
 For **R.H.Modi & Co.**
 Chartered Accountants

 For **Minal Industries Limited**
R.H.Modi
 Proprietor
 Membership No. 37643
 Place : Mumbai
 Date : 31/05/2010

Managing Director Director

 Place : Mumbai
 Date : 31/05/2010



CONSOLIDATED PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Year Ended 31-Mar-11	Year Ended 31-Mar-10
Income			
Sales	9	4,889,384,170	671,951,016
Share In Profit From Partnership Firm	10	72,530,784	3,893,806
Other Income	11	4,488,444	1,584,647
Total		4,966,403,398	677,429,469
Expenditure			
Cost Of Goods Sold	12	4,629,765,724	603,131,270
(Increase) / Decrease In Stock	13	196,490	170,083
Manufacturing Expenses	14	1,094,881	270,403
Payments To & Prov. For Employees	15	393,649	556,622
Directors Remuneration		120,000	120,000
Administrative, Selling & Other Exp.	16	5,970,738	4,063,492
Interest & Finance Charges		72,779	135,642
Depreciation		705,188	989,984
Preliminary Expnses W/Off		2,965,300	84,000
Total		4,641,284,749	609,521,495
Profit Before Taxation		325,118,649	67,907,973.63
Less : Provision For Taxation		1,000,000	—
Less :Deferred Tax Liability		(562,401)	127,342
Less : Income Tax For Earlier Years		—	24,239
		324,681,049.93	67,756,392.63
Balance As Per Last Year		82,862,804	22,497,161
Amount Available For Appropriation		407,543,854	90,253,554
Appropriation			
Proposed Dividend		—	6,370,080
Tax On Proposed Dividend		—	1,058,000
Balance Carried To Balance Sheet		407,543,854	82,862,804
		407,543,854	90,290,884
No. Of Shares		12,320,091	10,616,800
Basic / Diluted Earning Per Share		26.35	6.38
Accounting Policies & Notes Forming Part Of The Accounts	17		

As Per Our Report Attached
For **R.H.Modi & Co.**
Chartered Accountants

For Minal Industries Limited

R.H.Modi
Proprietor
Membership No. 37643
Place : Mumbai
Date : 31/05/2010

Managing Director Director
Place : Mumbai
Date : 31/05/2010

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

	CURRENT YEAR 31-Mar-11	PREVIOUS YEAR 31-Mar-10
SCHEDULE '1' : SHARE CAPITAL		
AUTHORISED		
60,000,000 EQUITY SHARES OF RS.10/-EACH (P.Y.10,000,000 Equity Shares of Rs. 10/- each)	<u>600,000,000</u>	<u>100,000,000</u>
ISSUED,SUBSCRIBED & PAID UP :		
14380130 EQUITY SHARES OF RS.10/- EACH FULLY PAID UP (P.Y. 6370080 Equity Shares of Rs. 10/- each)	143,801,300	63,700,800
FORFEITED SHARES		
Amount Originally paid-up on Forfeited Shares	—	7,553,000
	<u>143,801,300</u>	<u>71,253,800</u>
<i>* of the above, following were allotted :</i>		
<i>as fully paid up shares</i>		
22,58,000 in 2010-11 on account of forfeiture shares reissued		
<i>as fully paid up bonus shares</i>		
2,82,150 in 1993-94 by capitalisation of Rs. 1600000/-from General Reserve and Rs. 1221500/- from Revaluation reserve		
50,42,980 in 2006-07 by capitalisation of Rs. 50429800/-from General Reserve		
5752050 in 2010-11 by capitalisation of Rs. 57520500/-from Share Premium		
SCHEDULE '2' : RESERVES & SURPLUS		
INVESTMENT ALLOWANCE RESERVE		
Balance as per Last year Balance Sheet	277,810	277,810
CAPITAL RESERVE		
Balance as per Last year Balance sheet	261,231	261,231
State Subsidy	219,000	219,000
Central Subsidy		
Capital Reserve		
Balance as per Last year Balance sheet	—	—
ADD: DURING THE YEAR	7,553,000	—
	<u>7,553,000</u>	<u>—</u>
SHARE PREMIUM		
Balance as per Last year Balance sheet	—	—
ADD: DURING THE YEAR	174,249,860	—
	<u>174,249,860</u>	<u>—</u>
Less : Issue of Bonus Shares	(57,520,500)	—
	<u>116,729,360</u>	<u>—</u>
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance as per Last year Balance sheet		
ADD: DURING THE YEAR	(2,040,376)	(37,330)
	<u>(2,040,376)</u>	<u>(37,330)</u>
REVALUATION RESERVE		
Balance as per Last year Balance sheet	161,883	161,883
GENERAL RESERVE		
Balance as per Last year Balance sheet	18,392,370	18,392,370
ADD: DURING THE YEAR	—	—
	<u>18,392,370</u>	<u>18,392,370</u>
PROFIT & LOSS ACCOUNT		
As per the Annexed Accounts	407,543,854	82,862,804
	<u>549,098,132</u>	<u>102,137,768</u>
SCHEDULE '3' : UNSECURED LOANS		
From Directors	4,240,000	175,000
From Others	—	1,225,000
	<u>4,240,000</u>	<u>1,400,000</u>


SCHEDULE '4' : FIXED ASSETS

SR. NO.	PARTICULAR	GROSS BLOCK			RATE	DEPRECIATION			NET BLOCK	
		AS ON 1-Apr-10	ADDI-TION	DEDUC-TION		AS ON 31-Mar-11	AS ON 1-Apr-10	FOR THE YEAR	AS ON 31-Mar-11	AS ON 31-Mar-11
1	Leasehold Land	543,235	—	—	543,235	—	—	—	543,235	543,235
2	Factory Building	921,244	—	—	921,244	1.63%	453,751	15,016	468,767	467,493
3	Office Premises	10,812,700	—	—	10,812,700	1.63%	652,851	176,247	829,098	10,159,849
4	Plant & Machinery	5,246,152	—	—	5,246,152	4.75%	5,229,508	16,644	5,246,152	—
5	Electric Fittings	839,852	88,820	—	928,672	4.75%	113,069	40,968	154,037	774,635
6	Office Equipments	118,578	15,250	—	133,828	4.75%	55,402	5,815	61,217	72,611
7	Computers	428,715	3,250	—	431,965	16.21%	416,832	11,978	428,810	3,155
8	Furniture & Fixtures	3,502,929	37,650	—	3,540,579	6.33%	577,891	222,343	800,234	2,740,345
9	Vehicles	2,275,544	—	—	2,275,544	9.50%	1,637,409	216,177	1,853,586	421,958
	Total Rs.	24,688,949	144,970	—	24,833,919		9,136,713	705,188	9,841,901	14,992,018
	Previous Year	24,651,889	37,060	—	24,688,949		8,146,729	989,984	9,136,713	15,552,236

NOTE:-

Plant and Machinery were revalued on 31.03.1993 by a registered valuer and accordingly the Gross Block of the Plant and Machinery was increased by Rs. 13,83,383/- by transferring the said amount to Revalued Reserve.

	CURRENT YEAR 31-Mar-11	PREVIOUS YEAR 31-Mar-10
--	---------------------------	----------------------------

SCHEDULE '5' : INVESTMENTS
a) QUOTED
i) Non Trade Investments

11000 (Previous year 11000) Equity Shares in Estern Mining Ltd. Of Rs.10/- each	352,000	352,000
100 (Previous year 100) Equity Shares in Vardhman Wires & Polymers Ltd. Of Rs.10/-each	1,000	1,000
	353,000	353,000

b) UNQUOTED
i) Trade Investment
Associate Companies

4625000 (Previous Year Nil) Equity Shares in C Mahendra Infojewels Limtied of Rs. 10/- each.	46,250,000	—
--	------------	---

ii) INVESTMENT IN PARTNERSHIP FIRM

Capital in C.Mahendra Infojewels	—	52,872,974
Capital in M/s RSBL Jewels	122,823,056	—
	122,823,056	52,872,974

iii) Non Trade Investment

Share in Sterling Centre Premises Owners Co-op Society Ltd.of Rs.500/- each.	500	500
	500	500
	169,426,556	53,226,474

	CURRENT YEAR 31-Mar-11	PREVIOUS YEAR 31-Mar-10
SCHEDULE '6' : CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
a) INVENTORIES (As taken, valued & Certified by a Director)		
Traded Goods	29,286,577	47,909,587
Finished Goods	—	194,167
Work-in-process	1,220,005	1,222,328
	<u>30,506,582</u>	<u>49,326,082</u>
b) SUNDRY DEBTORS (Unsecure, considered Good)		
Exceeding Six months	90,792,683	111,508
Others	2,849,002,815	669,802,569
	<u>2,939,795,498</u>	<u>669,914,077</u>
c) CASH & BANK BALANCES		
Cash on Hand	3,959,870	1,645,923
Balance with Schedule Banks:		
In Current Accounts	2,224,012	9,404,155
In Fixed Deposit Accounts	135,481	628,779
	<u>6,319,363</u>	<u>11,678,858</u>
d) LOANS & ADVANCES		
Advances recoverable in cash or in kind or value to be received	82,490,013	13,839,364
Loan to Group Companies incl Subsidiary	62,696,563	—
Advance Income Tax (Net of Provision) (incl Provision for Taxes Rs. 4.39 Lacs, and Rs.4.39 Lacs for P.Y.)	320,738	1,279,448
Deposits	1,416,789	1,298,339
	<u>146,924,103</u>	<u>16,417,151</u>
SCHEDULE '7' : CURRENT LIABILITIES & PROVISION		
a) CURRENT LIABILITIES		
Sundry Creditors	2,514,838,871	632,592,338
Other Liabilities	1,475,211	267,791
	<u>2,516,314,082</u>	<u>632,860,129</u>
b) PROVISIONS		
Proposed Dividend	—	6,370,080
Tax on Proposed Dividend	—	1,058,000
	<u>—</u>	<u>7,428,080</u>
	<u>2,516,314,082</u>	<u>640,288,209</u>

	CURRENT YEAR 31-Mar-11	PREVIOUS YEAR 31-Mar-10
SCHEDULE '8' : MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
PRELIMINARY EXPENSES		
Balance as per last year	2,965,300	84,000
Less : Written off during the year	(2,965,300)	(84,000)
	<u>—</u>	<u>—</u>
SCHEDULE '9' : SALES		
Local Sales (Net Of Sales Return,Discount)	163,125,577	201,150
Export Sales	4,726,258,593	671,749,866
	<u>4,889,384,170</u>	<u>671,951,016</u>
SCHEDULE '10' : SHARE OF PROFIT / (LOSS) FROM PARTNERSHIP FIRM		
C Mahendra Infojewels	(192,272)	3,893,806
M/S RSBL Jewels	72,723,056	—
	<u>72,530,784</u>	<u>3,893,806</u>
SCHEDULE '11' : OTHER INCOME		
Job Work Income (TDS Rs.Nil P.Y. Rs.Nil)	95,905	41,400
Rent	48,000	48,000
Discount Kasar	1,315	5,507
Exchange Rate Diff (Net)	4,331,863	—
Interest Income On Loan To Subsidiary	—	—
Interest Income On FD (Tds Rs.1136/- P.Y. Rs.148974/-)	11,361	1,489,740
	<u>4,488,444</u>	<u>1,584,647</u>
SCHEDULE '12' : COST OF GOODS SOLD		
Opening Stock	22,139,899	23,315,348
Add : Purchase	4,636,912,402	627,725,509
	<u>4,659,052,301</u>	<u>651,040,857</u>
Less : Closing Stock	29,286,577	47,909,587
Total	<u>4,629,765,724</u>	<u>603,131,270</u>
SCHEDULE '13' : INCREASE / (DECERASE) IN STOCK		
Closing Stock Of Finished Goods	—	194,167
Closing Stock Of Work-In-Progress	1,220,005	1,222,328
Opening Stock Of Finished Goods	194,167	364,250
Opening Stock Of Work- In- Progress	1,222,328	1,222,328
	<u>(196,490)</u>	<u>(170,083)</u>

	CURRENT YEAR 31-Mar-11	PREVIOUS YEAR 31-Mar-10
SCHEDULE '14' : MANUFACTURING EXPENSES		
Labour Charges	151,865	30,240
Power & Fuel	144,680	212,965
Freight, Octroi Charges	1,145	6,500
Clearing & Forwarding Charges	785,782	—
Packing Material	740	3,666
Consumable & General Stores	10,669	17,032
	<u>1,094,881</u>	<u>270,403</u>
SCHEDULE '15' : PAYMENT TO & PROV. FOR EMPLOYEES		
Salary Wages & Other Allowances	285,545	482,920
Contribution To ESI	5,740	11,855
Staff Welfare Expenses	30,814	61,847
Gratuity	71,550	—
	<u>393,649</u>	<u>556,622</u>
SCHEDULE '16' : ADMINISTRATIVE, SELLING & OTHER EXP		
Printing & Stationary	104,305	86,845
Postage & Telephone Expenses	99,481	110,767
Travelling & Conveyance	471,724	200,207
Rent, Rates & Taxes	1,193,763	593,177
Auditors Remuneration	186,639	121,250
Professional & Legal Fees	1,465,640	431,180
Advertisement Expenses	109,593	29,636
Exchange Rate Diff (Net)	—	570,227
Repair & Main Of Machinery	41,715	77,555
Repair & Main Of Computer	596	10,000
Sales Promotion Expenses	36,213	569,842
Insurance Premium	183,246	334,250
Miscellaneous Expenses	1,889,079	732,806
Security Charges	15,000	58,848
Donation	800	4,617
Filing Fees	169,587	126,853
Bad Debts Written Off	3,358	5,433
	<u>5,970,738</u>	<u>4,063,492</u>

SCHEDULE: 17 : NOTES ON ACCOUNTS FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011
1) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES.
I) Basis of Consolidation

1. 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:
 - a) 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.
 - b) 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 (AS)-21 'Consolidated Financial Statements'. The consolidated financial statements are presented in Indian rupees.
 - c) 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'.
2. Financial Statements of Foreign Subsidiary – Minal International FZE have been converted in Indian Rupees at the year end rates.
3. 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)

2) REVENUE RECOGNITION:

All revenues and expenses are accounted on accrual basis, except to the extent stated otherwise.

3) 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.

4) DEPRECIATION

Depreciation is provided on straight line basis as per the rates and method prescribed under Schedule XIV to the Companies Act, 1956.

5) INVESTMENTS

Long Term Investments are valued at cost, provisions for diminution in value of investment is made if in the opinion of the management, the decline is permanent in nature.

6) 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.

7) RETIREMENT BENEFITS

- a) Gratuity Liability is accounted as and when paid.
- b) Leave Encashment Liability is accounted as and when paid.

8) 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.

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.

9) MISCELLANEOUS EXPENDITURE

Preliminary expenses are written off in the year of expenses incurred

10) BORROWING COSTS

Borrowing Costs directly attributed to the acquisition of Fixed Assets are capitalised as a part of the cost of Asset upto the date the Asset is put to use. Other Borrowing Costs are charged to the Profit and Loss Account in the year in which they are incurred.

11) 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 recognised subject to the consideration of prudence on timing differences, being the difference between Taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods.

b) Foreign Companies

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

12) IMPAIRMENT OF FIXED ASSETS:

At balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of company's fixed assets. If any, such indication exists. The assets recoverable amount estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

13) PROVISIONS CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes after careful evaluation by the management of the facts and legal aspects of the matters involved. Contingent Assets are neither recognized nor disclosed in the financial statements.

14) i) In consultation with the Vadodara Stock Exchange and after due compliance of legal requirements, the Company had forfeited 22,58,000 Equity Shares of Rs. 10/- each.

ii) During the year company has reissued 22,58,000 forfeited shares at a premium of Rs. 77.17 per share. The balance in forfeited share capital account is transferred to capital reserve.

15) There has been a diminution of Rs. 3.53 Lacs in the value of long term investments held by the Company as at 31st March, 2011. No provision against the same has been considered necessary since in the opinion of management such diminution is of temporary in nature.

16) a) Total present liability for future payment of gratuity as on 31st March, 2011 is neither provided nor actuarially determined. This liability will be dealt with on cash basis which is not in accordance with Accounting Standard (AS) 15- 'Employee Benefit' issued by the Institute of Chartered Accountants of India.



- b) Leave encashment liability, if any, has not been determined, presently, and would be charged when paid. This liability will be dealt with on cash basis which is not in accordance with Accounting Standard (AS) 15- 'Employee Benefit' issued by the Institute of Chartered Accountants of India.
- 17) During the year the Company has accounted for deferred tax in accordance with the Accounting Standard 22 - "Accounting for Taxes on Income" issued by the Institute of Chartered Accountings of India.

The break up of deferred tax balance is as under:

(Rs. In Lacs)

Deferred Tax Liability / (Assets)	31/03/2011	31/03/2010
On account of Depreciation	(5.62)	1.27
Net Deferred Tax Liability	4.27	10.35

18) SEGMENT REPORTING

SEGMENT RESULTS OF PRIMARY BUSINESS SEGMENTS

(Rs. in lacs)

Sr No	Particulars	Engineering Division (Rs.)	Jewellery Division (Rs.)	Other (Rs.)	Total (Rs.)
1	Revenue				
	a) External Sales				
	i) Manufactured Goods	2.54	—	—	2.54
		-2.01	(—)	(—)	-2.01
	ii) Traded Goods	2.85	48,888.45	—	48891.3
		(—)	-6717.5	(—)	-6717.5
	b) Unallocated corporate Income				
	Share in Profit / Loss Partnership Firm			725.31	725.31
				-38.94	-38.94
	c) Other Income	1.44	43.33		44.77
		-0.89	-0.06		-0.95
	Total Revenue	6.83	48931.8	725.31	49663.9
		-2.9	-6717.56	-38.94	-6759.4
2	Segment Result				
	Profit before Interest, Tax & Depreciation *	2.23	2531.32	725.31	3258.86
		(-2.19)	-638.69	-38.94	-675.44
	Less: Depreciation				7.05
					-9.9
	Add.: Interest Received				0.11
					-14.9
	Less: Interest Paid				0.73
					-1.36
	Less: Provision for Taxation				4.38
					-1.52
	Net Profit / Loss				3246.81
					-677.56
3	Other Information				
	Segment Assets	16.44	29686.6	3376.62	33079.6
		-17.87	-7174.53	-968.75	-8161.15
	Segment Liabilities	0.15	26095.95	7.41	26103.52
		-0.41	-6321.71	-80.76	-6402.88
	Capital Expenditure	—	—	1.45	1.45
		(—)	(—)	-0.37	-0.37
	Depreciation			7.05	7.05
				-9.9	-9.9

19) TRANSACTIONS WITH RELATED PARTY

Related Party	Description of Nature of Transactions	Transactions during the year 2010/2011	Outstanding Balance as on 31/03/2011	Transactions during the year 2008/2010	Outstanding Balance as on 31/03/2010
A) With Directors					
Shri Shrikant J..Parikh	i) Remuneration	1,20,000	—	1,20,000	—
	ii) Loan reced	6,56,85,000	Cr. 42,40,000	1,75,000	Cr. 1,75,000
	iii) Loan Repaid	6,16,20,000	—	—	—
B) With Associates					
1) C. Mahendra Info Jewels.	Purchases	—	NIL	—	Cr.38,31,625
2) C Mahendra Infojewels Ltd (wef 10.08.2010)	i) Loan Given	6,98,28,563	Dr. 6,26,96,563	—	—
	ii) Loan Repaid	71,32,000	—	—	—
3) Minal Electrical & Engineering	i) Rent Received	48,000	—	48,000	—
	ii) Job work / Sales	—	Dr. 3,70,178	—	Dr. 2,71,323
	iii) Loan Received	—	—	4,50,000	—
	iv) Loan Repaid	—	—	4,50,000	—
4) Minal Plastic Product	i) Rent Paid	57,000	Dr. 3,480	36,000	Cr 44,500
	ii) Sales	1,15,100	—	—	—
5) Minal Exim Pvt Ltd	i) Loan Given	6,000	NIL	1,00,000	Dr. 1,00,000
	ii) Loan Repaid	1,06,000	—	—	—
6) Selection Inc	i) Purchase	14,22,24,374	Cr. 11,28,05,547	—	—
C) With Key Management Personnel					
Anila S.Parikh	Salary	—	—	20,000	—
Brijal A.Gandhi	Salary	—	—	60,000	—

20) The Company is a Partner in various firms where in the share in profit / (loss) of each partner, the total capital of all the partners as on 31st March, 2011 are stated as under :

A NAME OF THE FIRM	SHARE OF PROFIT/LOSS		
	C. Mahendra Info jewels		RSBL Jewels
B PARTNERS	Till 30.04.2010	Till 09.08.2010	From 27.06.2010
1. SHRI SHRIKANT J. PARIKH	48.25%	47.50%	—
2. MINAL ENGINEERING LTD.	18.50%	18.50%	99.00%
3. C.MAHENDRA JEWELS PVT LTD.	32.50%	32.50%	—
4. SHRI JESINGLAL B.PARIKH	0.75%	0.75%	—
5. MINAL LIFESTYLES PVT LTD	—	0.75%	—
6. MINAL INFRACONS PVT LTD	—	0.75%	—
7. MINAL INFRASTRUCTURES & PROPERTIES PVT LTD	—	0.75%	—
8. SHRI MEHUL DINESHKUMAR KOTHARI	—	—	1.00%
	100%	100%	100%
C TOTAL CAPITAL OF THE PARTNERS		RS. 64,37,08,877	RS. 12,47,65,175



21) REMUNERATION TO AUDITORS

	2010-11	2009-10
a) Audit Fees	90,493	60,000
b) Taxation Matters	—	—
c) Others	35,296	—
Total	1,25,789	60,000

22) EARNING PER SHARE

Earning per share (EPS) is calculated in accordance with Accounting Standard – 20 as under

	2010-11	2009-10
Net Profit / (Loss) after taxation (Rs.)	32,46,81,050	6,77,56,393
Weighted average of Equity Shares (Nos)	1,23,20,091	1,06,16,800
Nominal Value of Equity Share (Rs.)	10	10
EPS (Rs.)	26.35	6.38

23) 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 2011.

24) Sundry Debtors includes Rs. 2,23,083/- being amount due from the firm in which Directors are interested (Maximum Outstanding during the year Rs.2,23,083/-)(Previous Year Rs. 2,74,083/-)

25) The Company is in process of appointing a full time Company Secretary by the provision of Section 383A of the Companies Act, 1956. In the absence of the Company Secretary, these financial statements have not been authenticated by a whole time Company Secretary under Section 215 of Companies Act, 1956.

26) As required by the Notification No. GSR 129(F) dated 22nd 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.

27) 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.

28) Balances of debtors, loans and advances and creditors are subject to confirmations.

29) Previous year figures are regrouped, re-arranged and recast wherever felt necessary so as to make them comparable with that of current year.

As Per Our Report Attached
For **R.H.Modi & Co.**
Chartered Accountants

R.H.Modi
Proprietor
Membership No. 37643
Place : Mumbai
Date : 31/05/2010

For **Minal Industries Limited**

Managing Director Director
Place : Mumbai
Date : 31/05/2010

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANY**

1	Name of the Subsidiary Company	Minal International FZE (Sharjah)
2	Financial year ended on	31.03.2011
3	Holding Company's Interest No of Equity Shares Extent of Holding	1 Equity Shares of 1,50,000 AED each 100 %
4	The net aggregate amount of the subsidiary company's profit/loss so far as it concerns members of the Holding Company's accounts	
	(i) Not dealt with in the Holding Company's Accounts.	
	(a) for the financial year of the subsidiary	+
	(b) for the previous financial years of the subsidiary since it became the Holding company's subsidiary	NA
	(ii) Dealt with in the Holding Company's Accounts.	
	(a) for the financial year of the subsidiary	NIL
	(b) for the previous financial years of the subsidiary since it became the Holding company's subsidiary	NA
	5	Material changes, if any, between the end of the financial year of the subsidiary and that of the holding company



MINAL INDUSTRIES LIMITED

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

FORM OF PROXY

I/We of in the district of being a member/
members of the above-named company hereby appoint.....of..... in the district of
..... or failing himof in the district of.....
as my/our proxy to vote for me/us on my/our behalf at Twenty Third annual general meeting of the company to be held on the 30th day
of September, 2011 and at any adjournment thereof.

Signed this..... day of 2011

MINAL INDUSTRIES LIMITED

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

**FORM FOR AFFORDING MEMBERS AN OPPORTUNITY OF VOTING
FOR OR AGAINST A RESOLUTION [*]**

I/We of in the district of being a member/
members of the above-named Company, hereby appoint, in the district of
....., or failing him, of in the district
of as my/our proxy to vote for me/us on my/our behalf at the Twenty Third annual general meeting of the
company to be held on the 30th day of September, 2011 and at any adjournment thereof.

Signed thisday of..... 2011

[This form is to be used †in favour of/†against the resolution. Unless otherwise instructed the proxy will act as he thinks fit.]

†Strike out whichever is not desired.

Book-Post

If undelivered please return to :

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