



KACHCHH MINERALS LIMITED



**27TH ANNUAL REPORT
2007-2008**

**BOARD OF DIRECTORS**

MR. P. G. DAVDA (*Chairman & wholetime*)
MR. KISHORE G. DAVDA (*Executive*)
MR. D. S. MADHAVANI (*Non- executive*)
MR. BHARAT M. SHUKLA (*Non- executive*)
MR. CHETAN M. TANNA (*Non- executive*)

AUDITORS

M. G. SIMARIA & CO.
Chartered Accountants

REGISTERED OFFICE

22, Mansur Building, 1st Floor,
98, Princess street,
Mumbai - 400 002.
MAHARASHTRA.
kachhmineral@yahoo.in

BANKERS

Development Credit Bank Ltd.
Axis Bank
Bhuj Co-op. Bank Ltd.

CORPORATE OFFICE / WORKS

Survey 66, Village Manfara
Taluka Bhachau,
KUTCH Pin - 370 140.

REGISTRARS & TRANSFER AGENTS

BIGSHARE SERVICES PRIVATE LIMITED
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072.
Tele No : 2852 3474, 2856 0652 / 53
Fax : 2852 5207.

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NOTICE TO MEMBERS

NOTICE is hereby given that TWENTY SEVENTH ANNUAL GENERAL MEETING of the members of KACHCHH MINERALS LIMITED will be held on Monday, 29th September, 2008. at 10.00 A.M at registered office of the company 22, Mansur Building, 98, Princess Street, Mumbai – 400 002 to transact the following business :

AS ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Directors Report and Audited Balance sheet and profit and loss Account of the Company for the year ended 31st March 2008 together with the Auditors Report thereon.
- 2) To appoint a Director in place of Mr. Prataprai G. Davda who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. Bharat M. Shukla who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint Auditors of the Company and to fix their remuneration.

AS SPECIAL BUSINESS :-

- 5) To consider, and, if thought fit, to pass with or without modification(s), the following resolution :
"RESOLVED THAT, in accordance with the provision of Section 198 and 269 and all other applicable provision, if any, of the Companies Act, 1956. read with schedule XIII thereto (including any Statutory modification or re- enactment thereof) for the time being in force, the consent of the company be and is hereby accorded for increased payment of remuneration for the period of 3 years with effect from 01.10.2008 to Mr. Prataprai G. Davda, an existing full time director of the company on such remuneration, terms and conditions, as set out in explanatory statement appended to the notice convening this Annual General Meeting."
"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any year or during the tenure of appointment, the above remuneration will be deemed to be the minimum remuneration."
"RESOLVED FURTHER THAT the board be and hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."
- 6) "RESOLVED THAT in accordance with the provision of section 198 and 269 and all other applicable provision, if any, of the Companies Act, 1956. read with schedule XIII thereto (including any Statutory Modification or re-enactment thereof) for the time being inforce, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Kishore G. Davda as executive director of the company for the period of 3 years with effect from 01/10/2008 on such remuneration and terms and conditions as set out in the explanatory statement appended to the notice convening this Annual General Meeting."
"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any year or during the tenure of appointment, the above remuneration will be deemed to be the minimum remuneration."
"RESOLVED FURTHER THAT the Board be and hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**NOTES :**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE, SHOULD LODGE THE PROXY FORM AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) The Register of Members and the Share Transfer Book of the Company will remain closed from Tuesday, 23th September, 2008 to Monday, 29th September, 2008.
- (c) Members are requested to kindly notify the Company of any change in their addresses so as to enable the Company to address future communication to their correct addresses.
- (d) Shareholders are requested to bring their copies of annual report to the annual general meeting.
- (e) A members desirous of seeking any information on the accounts or operation the company is required to forward his/her Query to the company at least seven working days prior to the date of meeting, so required information can be make available at the meeting.

Item no. 5 :-

Mr. Prataprai G. Davda, an existing full time director is continued to be paid increased remuneration of Rs. 1,00,000/- per month (Rs. One lacs per month) with effect from 01.10.2008 for a period of three years.

Apart from this, it has been agreed to provide him a car with driver to be used for the company's business, telephone at residence, mobile phone, medical expenses and insurance premium. He is also to be provided residential accommodation either at Gandhidam or at Bhachau. His increased remuneration requires to be approved by the members and accordingly, this resolution has been placed before you for your approval. Mr. Kishore G. Davda is interested in the resolution other than the concerned whole-time executive director who is the brother of Mr. Prataprai G. Davda.

Item no 6 :-

Mr. Kishore G. Davda has been re-appointed as executive director with effect from 1/10/2008 at remuneration of Rs. 50,000/- per month (Rs. Fifty thousand per month). Apart from this, it has been agreed to provide him a car with driver to be used for the company's business, telephone at residence, mobile phone, medical expenses and insurance premium. This being the immediate Annual General Meeting of the Company after his appointment as executive director his appointment requires to be approved by the members and accordingly, this resolution has been placed before you for your approval."

Mr. Prataprai G. DAVDA is interested in the resolution other than the concerned executive director who is the brother of Mr. Kishore G. Davda.

By Order of the Board

For **KACHCHH MINERALS LTD.**

Sd/-

PRATAPRAI G. DAVDA

CHAIRMAN & EXE. DIRECTOR

Registered Office:

22, Mansur Building, 1st Floor,
98, Princess Street, Mumbai - 400 002

Place : Mumbai

Dated : 25th August 2008



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By Order of the Board

For **KACHCHH MINERALS LTD.**

Sd/-

PRATAPRAI G. DAVDA

CHAIRMAN & EXE. DIRECTOR

Registered Office:

22, Mansur Building, 1st Floor,
98, Princess Street, Mumbai – 400 002

Place : Mumbai

Dated : 25th August 2008



DIRECTOR'S REPORT

To,
The Members,

Your Directors present herewith the Twenty Seventh Annual Report together with the audited accounts of the Company for the year ended 31st March 2008. Summarised financial at results of the company are furnished below:-

1. FINANCIAL RESULT	(Rs. In lacs)	(Rs. In Lacs)
	Current year	Previous year
Sales	81.84	74.51
Other income	6.53	5.81
Gross Income	88.37	80.32
Less: Expenses	60.04	61.00
Interest	6.41	7.02
Depreciation	10.95	11.29
Net Income (-)	10.97	1.01

The Directors regret their inability to recommend any dividend due to brought forward losses.

2. **BUSINESS OVERVIEW:-**

The company has net income of Rs. 10.97 lacs as against income of Rs. 1.01 lacs in last year. Further the Board is hopeful of expanding the company's operation this year & expects your co-operation in the days to come. The Board is doing its best to make your company start full mining activities & show progress in very near future. The Board is contemplating to take effective steps to save it from slipping in to a sick industrial unit. On account of effective steps to control expenses & keep the losses to its minimum level, the year under consideration, has closed with a sales turnover of Rs. 81,84,484/- and Net profit of Rs. 10,96,880/- after providing for interest & depreciation.

3. **FIXED DEPOSITS :-**

The company has not accepted any fresh deposits within the purview of section 58 A of the Companies Act, 1956 during the year under review.

4. **CONSERVATION OF ENERGY :-**

Since the company has increased its production activities, though the particulars pursuant to requirement under section 217 (1) (e) of the Companies Act, 1956 with reference to conservation of energy, technology absorption, adoption and innovation are not material. However, the electricity expense incurred at Rs. 18,121/- during the year which is very negligible does not required any disclosure as such. Due to power problem, company has run the plant mainly through their generator set and digging, mining & washing activities where mainly vehicles & water is used which does not require much electric consumption. Hence the details being immaterial not provided.

5. **RESEARCH & DEVELOPMENT:-**

The Company due to its limited resources cannot carry out Research & development activities except to improve its present quality of mining materials.

**6. PARTICULARS OF EMPLOYEES AND INFORMATION :**

There was no such employee employed during the year under review, hence the provision as prescribed u/s. 217 (2A) of the Companies Act, 1956 read with Companies (particulars of employee) Rules, 1975, as amended by the Companies (Amended) Act, 1988 is not applicable. The relation between the employees & the management remain cordial during the year under review.

7. AUDITORS :

M/s. M.G. Simaria & Co., Chartered Accountants, Mumbai, retires at the conclusion of the Annual General Meeting. They have given their consent to act as Auditors of the Company, if re-appointed. You are requested to consider their appointment as Auditor of the Company and authorise directors to fix their remuneration for the current year.

8. DIRECTORS :

Mr. Prataprai G Davda, Director retires by rotation at the conclusion of the Annual General Meeting and being eligible, offers himself for re-appointment.

Mr., Bharat M Shukla, Director retires by rotation at the conclusion of the Annual General Meeting and being eligible, offers himself for re-appointment.

9. AUDIT REPORT :

The auditors have observed & put remarks for non-provision of gratuity, leave salary, etc. as per AS – 15. Provision for gratuity is not made in view of appointment of major new staff after earthquake, frequent changes in major staff and the Expenses are debited on payment basis as and when the same is paid. As per Auditor's comment in point no. 7 of the notes to Accounts regarding appointment of Qualified Company Secretary on whole time basis to comply with the requirements of Section 383 A of Companies Act, 1956, your directors have taken steps for complying aforesaid requirement. However, in absence of availability of suitable & affordable candidates, the said requirements could not be complied. However, the Company is in the process of receiving the Compliance Certificate from Company Secretary.

10. FOREIGN EXCHANGE :

Foreign Exchange inflow and outflow during the year was NIL

11. DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to the requirements of section 217 (2AA) of the Companies Act, 1956, the directors confirm that:

- I. In preparation of annual accounts, the applicable accounting standards except AS-15 have been followed along with proper explanation relating to material departures;
- II. We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period;



- III. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- IV. We have prepared the annual accounts on a going concern basis as explained in note no.1 of Schedule 'O' notes forming part of Accounts.

12. CORPORATE GOVERNANCE :-

A separate section on Corporate Governance is included in the Annual Report and the Certificate from the Company's auditor's confirming the compliance of conditions subject to certain qualifications on Corporate Governance stipulated in clause 49 of the Listing Agreement is annexed thereto.

The Board of Directors of the Company adopted a Code of Conduct. The Directors have affirmed with the said code.

13. LISTING OF SHARES & LISTING FEES :

The equity capital of the company continued to be listed on the Mumbai Stock Exchange and the necessary listing fees has been paid up to the year 2008- 2009. As per directives issued by the Securities and Exchange Board of India, the equity shares of the Company are to be traded in the Demat form. The company continues to maintain necessary arrangement with NSDL and CDSL for required connectivity.

14. DEMATERIALISATION OF SHARES :

As you are aware that company has made arrangement with Bigshare Services Pvt. Ltd., E-23, Ansa Indl. Estate, Saki-Vihar Road, Sakinaka, Andheri (East), Mumbai- 400 072 (Tel: - 2852 34 74 / 2856 06 52 / 2856 06 53, Fax: 2852 52 07, E-mail: bigshare@bom7.vsnl.net.in) to act as Depository Transfer Agent with National Securities Depository Limited (NSDL) & Central Depository Services India Limited (CDSL).

15. ACKNOWLEDGEMENT :

The Management wishes to place on record its appreciation for the services rendered by employees, contractors, bankers, and the management of the Indian Bureau of Mines and all concerned and convey their thanks to them.

By Order of the Board

For **KACHCHH MINERALS LTD.**

Sd/-

PRATAPRAI G. DAVDA
CHAIRMAN & EXE. DIRECTOR

Registered Office:

22, Mansur Building, 1st Floor,
98, Princess Street, Mumbai - 400 002

Place : Mumbai

Dated : 25th August 2008



MANAGEMENT DISCUSSION AND ANALYSIS.

(1) **OPERATING AND FINANCIAL PERFORMANCE:-**

Operating & Financial performance has been given in details in Directors Reports.

(2) **Industry Structure and Development :-**

Your Company is located at remote place in the State of Gujarat and engaged in minerals Industry by catering to minerals processing segment through extraction of various types of silica sand and china clay, mineral raw material etc. These minerals are sometime sold as raw materials or sold after processing, making value addition to the same as per customer demands.

Minerals are expected to become a core sector in the nation's economy in terms of generation of employment and revenues, industrial growth, conservation of energy and natural resources and mainly some unit works as export oriented unit generating foreign exchange and indispensable materials in all important sector of the economy. The Company products are already accepted mainly in the local market.

(3) **Opportunities and Threats :-**

It is fact that many developments in Indian economy as triggered by globalization as one world market are under cut-throat competitions, the prime opportunity lies in meeting customer's raised expectation in terms of high quality with value added products, prompt response, timely delivery, proper services and performance and the same opportunities were regularly grabbed by your company since its inception.

Your company strives to maintain pace with the fast development in the Indian economy, tremendous competition and latest in technology and know-how with its limited resources. The threats, which the minerals industry foresees, are slow down of Indian economy, myths and misconceptions about minerals and its impact on environment and competition from the global market. However, India has enough mineral resources with good quality accepted in International market, which is expected to fetch sizable foreign exchange in time ahead.

Your company will try to start its activity gradually to make its share in global market and expecting growth in the times ahead.

(4) **Segment-wise or product-wise performance :-**

The Company operates only in mining materials segment which includes china clay, silica sand etc.

(5) **Business Outlook :-**

General outlook for the company for the year 2007-2008 is encouraging, progressive & the company with its limited resources has improved its turnover which company tries further to improve its operation & profitability in days ahead.

The overall business outlook for Mineral materials including china clay is very encouraging because of the increasing demand. There is an ever increasing demand for china clay, silica sand and mineral materials from various end user for multipurpose and the producers of china clay and silica sand can grab the local as well as global market effectively with high profitability. However, the factor of consistency in quality and other services are the pre-requisites and your company in years to come will try to reach those standards. Your company will always aim towards striving for supplying quality products at reasonable prices and to stick to its core business, which has in fact some positive & upward trends.

**(6) Risks and Concerns :-**

The major risks that prevail in the industry are competitions from global players, fluctuation of price and technological obsolescence which company will try to improve upon with its limited resources. Your company is taking due care for the prevailing risks in the industry.

(7) Internal Control System and their adequacy :-

The management feels that the present internal controls in place are sufficient considering the complexity, size and nature of operations of the company.

Besides above, Audit Committee which has already been formed by your company pursuant to the provisions of sections 292A of the Companies Act 1956 and later on reformed subject to the requirements of clause 49A of the listing agreement keeps adequate checks & control on overall working of the Internal Control System in the company

(8) Financial Performance with respect to Operation Performance :-

The Company will see envisage its growth in future because of continuous hard core efforts put by your Company to achieve the pace of development, towards which your company marches. The company has converted its rapo from Break even to profit making company particularly for the last year by making net profit of Rs. 10,96,880/-. However much requires doing than what has been done due to huge brought forward losses, The summarized Profit and Loss A/c. for completed financial year is given below:-

Rs. In lacs

Sales & Operating Income	81.84
Other Income	6.53
Total Income	88.37
Less : Other Expenses	(66.45)
Profit before depreciation	21.92
Less : Depreciation	10.95
Net Profit / (Loss)	10.97

(9) Material Developments in Human Resources / Industrial Relations front including number of people employed :-

There are no material developments in Human Resources under review. The overall industrial relations during the year under review were peaceful. In your Company, contribution and co-operation from all level of employees / workers were excellent during the year and resulted in comparative increase in the business and tilt towards profitability which has been appreciated and supported well by the management. Due to seasonal business and mainly employment of labour on job work basis, the labour force are employed on need base which fluctuates from time to time.

(10) Cautionary Statements :-

Estimate and expectation made in the report may differ from actual performance due to various economic condition, government policies and other related factors.

By Order of the Board

For **KACHCHH MINERALS LTD.**

Sd/-

PRATAPRAI G. DAVDA

CHAIRMAN & EXE. DIRECTOR

Registered Office:

22, Mansur Building, 1st Floor,
98, Princess Street, Mumbai - 400 002

Place : Mumbai

Dated : 25th August 2008



REPORT OF CORPORATE GOVERNANCE

(Pursuant to clause no. 49 of the listing agreement)

The Report of Corporate Governance is given below:-

(1) Company's philosophy on Code of Governance :-

Your Company's philosophy on the Code of Governance envisages the enhancement of the long term economic value of the company, its shareholders and all its customers by adopting better corporate practices with highest levels of transparency, accountability and equity in all phases of its operations.

(2) Board of Directors :-

The Board of your company at present consists of five (5) directors. Your company has an optimum combination of Executive and Non-Executive directors with not less than fifty percent of the Board of Directors comprising of Non-Executive and independent directors. Such Non- Executive directors are independent directors. None of the directors is director in any other Public Limited Company. All the members of the Board are eminent persons with expertise and extensive experience in different field and each director have made outstanding contribution to the Company. During the financial year 2007- 2008 meeting of the Board were held at least once in each quarter inter- alia to review the quarterly performance and to take on record the financial results. During the year the Board of Director of the Company have held 5 (five) meetings. A detailed agenda was sent to each director in advance of each meeting. The details of Board Meetings attended by each director are as under:-

The detailed composition of the Board and other related information is given below:-

Sr. No.	Name of Director	Categories of Directorship	No. of Board Meeting	Last AGM attended	No. of other attended Directorship in Public Ltd. Co.
1\$	P. G. Davda	Chairman & Executive (Promoter)	5	YES	NIL
2\$	Kishore G. Davda	Executive (Promoter)	5	YES	NIL
3.	D. S. Madhavani	Non- Executive & independent	5	YES	NIL
4.	Bharat Shukla	Non- Executive & independent	5	YES	NIL
5.	Chetan Tanna	Non- Executive & independent	5	YES	NIL

\$ Shri. P.G. Davda & Shri K G Davda are Promoter Directors.

Shri. Kishore G Davda is a relative of P. G. Davda within the meaning of Sec 6 of the companies Act, 1956 and Schedule 1A appended to the said Act

Code of conduct:-

The Board of Directors of the Company adopted a code of conduct but the same has not been posted on company's website since the company in remote area does not have any website.

(3) Details of Directors seeking appointment / re-appointment at the ensuing AGM :-

Shri. Bharat M Shukla Independent & Non-executive Director and Shri. Prataprai G Davda, Executive director retire by rotation and are seeking re-appointment. Shri. Bharat M Shukla is Businessman having vast experience in the field of industries, business, finance, accounts & audit & Shri. Prataprai G Davda, is Businessman having vast experience in the field of industries, business, finance, accounts & public relation work.

**(4) Audit Committee :-**

During the year under review the following non-executive independent directors were members of audit committee:-

Name	Category	Status in the Committee	Out of 5 meeting held of the meeting attended by each
Shri D.S. Madhavani	Non-Executive & Independent	Chairman	5
Shri. Bharat Shukla	Non-Executive & Independent	Member	5
Shri. Chetan Tanna	Non-Executive & Independent	Member	5

The term of reference and powers of the Audit Committee are as per clause 49 of the Listing Agreement and also as per new section 292 A of the Companies Act, 1956. The functions of the Audit Committee are as per Company Law and Listing Agreement with the Stock Exchange. These includes review of accounting and financial policies and procedures, disclosure of financial/ risk management policies, review of quarterly & annual financial statements ensuring compliance with regulatory guidelines before submission to the Board of Directors, Review of the adequacy of Internal Control Systems and discuss significant internal audit findings including internal control weaknesses, recommend appointment, removal of external auditors & payment of fees to them, Management Discussion & Analysis of financial condition & results of operation, review of Statement of significant related party transaction, Review areas of Internal control system. The Five Meetings of the Audit Committee was held on 30/04/2007, 31/07/2007, 29/08/2007, 31/10/2007 & 31/01/2008.

The Statutory Auditors have also attended three Audit Committee meeting. The minutes of the Audit Committee meeting were circulated to the Board, discussed and taken note of.

(5) Shareholders / Investor's Grievance Committee :-

During the year under review, the following directors were the members of the Shareholder's / Investor's Grievance Committee

Sr	Name of the Director	Category	Designation in committee
1)	Shri. D. S. Madhavani	Independent and Non – Executive	Chairman
2)	Shri. Chetan Tanna	Independent and Non – Executive	Member
3)	Shri. Pratap. G. Davda	Promoter Director	Member

During the financial year 2007 –2008, Meetings of the shareholder's / Investor's Grievance Committee were held on once in every quarter from the period 1-4-2007 to 31-3-2008 and all the meetings except one meeting not attended by Chetan Tanna remaining all have been attended . Mr. Prataprai G. Davda have been authorised & accordingly acted to approve transfer and dematerialisation of shares.

No significant Investor's Grievance was received during the year. Petty matters from members have been satisfactorily attended to & replied.

The term of reference of the Committee are as per clause 49 of the Listing Agreement which are looking into the redressing of Shareholders and Investors complaints regarding transfer of shares, non-receipt of Annual Reports and reviewing the share transfer process and status of share transfers pending for registration.

**(6) Remuneration Committee:-**

During the year under review the following non-executive independent directors were members of remuneration committee:-

Name	Category	Status in the Committee	Out of 1 meeting held of the meeting attended by each
Shri D.S. Madhavani	Non-Executive & Independent	Chairman	1
Shri. Bharat Shukla	Non-Executive & Independent	Member	1
Shri. Chetan Tanna	Non-Executive & Independent	Member	1

The Remuneration Committee meeting was held on 31/07/2008 to consider remuneration for re-appointment to executive directors.

(7) General Body Meeting :-

The Particulars of the last three Annual General Meeting of the Company held as under:-

Date of AGM	Financial Year	Venue / Location of all meeting	Time of Meeting
30.9.2005	2004-2005	Registered Office : 22, Mansur Building, 1st Floor, 98, Princess street, Mumbai - 400 002.	11.00 A. M.
30.9.2006	2005 - 2006	Registered Office : 22, Mansur Building, 1st Floor, 98, Princess street, Mumbai - 400 002.	11.00 A. M.
29.9.2007	2006 - 2007	Registered Office : 22, Mansur Building, 1st Floor, 98, Princess street, Mumbai - 400 002.	10.00 A. M.

No special resolution was put through Postal Ballot last year. However in the ensuing AGM, there is a special resolution on the agenda to increase the remuneration of the Directors.

(8) Details of Remuneration to Directors :-

The remuneration of Rs. 9,00,000/- was debited to profit and loss A/c for following two Executive directors in terms of their appointment in AGM:-

Name of Director	Salary	Perquisite	Sitting fees	Total
Mr. Prataprai G. Davda	6,00,000	Nil	Nil	6,00,000
Mr. Kishore G. Davda	3,00,000	Nil	Nil	3,00,000
Total Rs.	9,00,000	Nil	Nil	9,00,000

The Company has no Stock Option Scheme for any of its Directors. Non- Executive directors are not paid any remuneration or sitting fees.

(9) Disclosures:-**Related Party Transactions :-**

Related party transactions are disclosed in notes to the annual accounts. There are no significant related party transactions with the company's promoters, directors, the management, the subsidiaries or relatives which may have potential conflict with the interest of the company at large.

**Accounting standards:-**

The company has followed all relevant accounting standards except AS-15 while preparing the financial statements.

Proceeds from public issues, right issues, preferential issues etc.:-

No funds have been raised by the company through issue of equity or debt in the form of public or rights or preferential issues during the year.

Directors:-

The Company has a system where all the directors or senior management of the Company are required to disclose all pecuniary relationship or transactions with the Company. There is no material pecuniary transaction with any Non-Executive as well as Independent Directors of the Company that requires a separate disclosure.

Risk Management:-

The risk management issues are discussed in the report of Management Discussion & Analysis. The Company has laid down procedure to intimate Board members about the risk assessment and minimisation procedure. Such procedures would be reviewed periodically within the given framework.

Instances of Non-compliance:-

Since 28.11.2004 onwards the company shares are listed on BSE at Mumbai. The Company's listing was under suspension for the period from 07.01.2002 to 28.11.2004 by the Bombay Stock Exchange (BSE) due to non-compliance of certain requirements. However, the Company states that there was a massive earthquake in the factory premises of the company situated at Kutch. Due to this natural calamity, the Company could not comply with certain requirements. The BSE has lifted the suspension without any penalty w.e.f 29.11.2004.

Means of Communication :-

Your Company's Quarterly, Half-yearly and Audited financial Results are sent to the Stock Exchange immediately after they have been taken on record /approved by the Board. No formal presentation was made by the Company to the Institutional Investors or Analysts.

(10) The Management Discussion & Analysis Report (MDA) :-

The Management Discussion and Analysis (MDA) report has been given separately.

(11) General Shareholder's Information:-**Annual General Meeting :-**

- (a) 27th Annual General Meeting will be held on 29.09.2008 time at 10 A.M., Venue at Registered Office, 22, Mansur Building, 1st floor, 98, Princess Street, Mumbai – 400 002.
- (b) Book closure will be, as under: –
From 23th September, 2008 to 29th September, 2008. (Both the days are inclusive)
- (c) Dividend Payment Date: - Not Applicable

(ii) Reporting of Unaudited**In respect of financial year 2008-2009****Financial Results :-**

- | | |
|---|----------------------|
| (a) First Quarter | End of July, 2008 |
| (b) Second Quarter with half-yearly results | End of October, 2008 |
| (c) Third Quarter | End of January, 2009 |
| (d) Fourth quarter with full-year results | End of April, 2009 |

**(iii) Listing on Stock Exchange :-**

- Bombay Stock Exchange (BSE).
- Annual listing fees have been paid to Bombay Stock Exchanges for the year 2008- 2009.
- Demat IS / N numbers is INE059E01010 NSDL & CDSL for equity shares.
- Shares are listed in BSE.
- Stock Code : 531778

(iv) Stock Data :-

The company's high low prices in BSE stock exchange are tabulated herewith as under:-

Stock Data Year 2005-2006 Month	High (Rs.)	BSE Low (Rs.)	Volumes (Nos.)	No.of trades (Nos.)	Amount (Rs.)
April, 2007	3.05	2.27	5500	12	16,171.00
May, 2007	2.38	1.95	3300	13	7,227.00
June, 2007	3.64	2.14	40300	64	133,627.00
July, 2007	6.81	3.82	137800	192	788,217.00
August, 2007	6.05	4.05	35800	103	190,025.00
September, 2007	13.51	6.35	179400	368	1,705,309.00
October, 2007	20.23	9.04	201500	307	2,820,752.00
November, 2007	41.50	21.20	1091100	1505	32,771,735.00
December, 2007	31.65	20.50	665300	1492	17,456,285.00
January, 2008	42.25	17.20	684700	1617	22,879,285.00
February, 2008	20.90	16.35	123500	375	2,347,330.00
March, 2008	17.70	9.10	119900	168	1,461,015.00

(v) Registrar and Transfer Agent :-**Bigshare Services Private Limited.**

E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 072.
Tele No. 2852 3474, 2856 0652/53, 2690 1335, Fax - 2852 5207.

(vi) Share Transfer System :-

The company has continued the appointment of M/s. Bigshare Private Limited as Registrar and Transfer Agents for accepting, transferring and delivering the transferred Share Certificates. All the transfer received in order, are processed within a period of 30 days from the date of receipts.

(vii) Dematerialisation of Shares :-

The number of shares de-materialised up to 31.03.2008 were 37, 27,100 equity shares.

(viii) Registered Office :-

The Registered Office of the Company continued to remain as it is as per last year
Kachchh Minerals Ltd.

22, Mansur Building, 1st floor, 98, Princess street, Mumbai - 400 002.

(ix) Distribution of Shareholding on 31.03.2008 :-

Sr. no	Category	No. of shares	% of paid up capital
1	Resident Indian	28,84,273	54.41
2	Directors	1,80,200	3.40
3	Relative/Friend of Directors	10,51,150	19.83
4	Body Corporate	3,07,377	5.80
5	NRI/ NRI company	8,77,900	16.56
	TOTAL	53,00,900	100.00

(x) **Shareholding Distinction :-**

Range of shares	Number	% of Shareholders	Total Holding in Rupees	Percentage Number of holding of shares
01 to 5000	2,122	62.23	67,87,730.00	12.80
5001 to 10000	775	22.73	68,74,000.00	12.98
10001 to 20000	240	7.04	40,24,000.00	7.59
20001 to 30000	115	3.37	29,60,770.00	5.59
30001 to 40000	23	0.67	8,29,000.00	1.56
40001 to 50000	35	1.03	16,71,000.00	3.15
50001 to 100000	45	1.32	33,99,000.00	6.41
100001 & above	55	1.61	264,63,500.00	49.92
TOTAL	3,410	100.00	5,30,09,000.00	100.00

(xi) **Plant Location :-**

Survey 66, Village Manfara, Takuka – Bhachau,
Kutch, Pin – 370 140.

(xii) **Investor Correspondence for transfer, Complaints and Information etc. :-**

Bigshare Services Private Limited.

E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,
Andheri (E), Mumbai – 400 072.

Tele No: 2852 3474, 2856 0652/53, 2690 1335, Fax – 2852 5207.

(12) **Declaration on Compliance of the Company's Code Of Conduct:-**

As provided under clause 49 of the Listing Agreement with Stock Exchanges, it is hereby declared that all the Board members and Senior Management personnels of the Company have affirmed compliance with the Code of Conduct for the year ended March 31, 2008. However, in absence of website of the company, the same has not been posted to website.

Place : Mumbai

Date : 25th August, 2008.

For **Kachchh Minerals Ltd.**

Sd/-

Prataprai G. Davda

Chairman & Executive Director

(13) **Compliance:-**

This Section of the report together with the information given under Management Discussion and Analysis constitute a detailed Compliance Report on Corporate Governance. The Company has complied with Mandatory Requirements of Corporate Governance subject to certain requirement. The Board would review implementation of Non-Mandatory Requirements of Corporate Governance code in due course of time.

Auditor's Certificate regarding compliance of conditions of Corporate Governance is annexed to this report.

Place : Mumbai

Date : 25th August, 2008.

For **Kachchh Minerals Ltd.**

Sd/-

Prataprai G. Davda

Chairman & Executive Director



Date :- 25.08.2008.

The Board of Directors,
Kachchh Minerals Ltd.
Mumbai.

Certification of Financial Results for the period ended 31st March, 2008.

- § We have reviewed the financial statements and cash flow statement for the said period and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's and are in compliance with existing accounting standards, applicable laws & regulations.
- § There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violative of the Company's code of conduct.
- § We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors, and to the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- § There are no :
- (i) significant changes in internal control during the period.
 - (ii) significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements : and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.
- § We have fully complied with Accounting manual of the Company and reviewed very carefully the checklists prepared by the Company.

Prataprai G. Davda
Chairman & Executive Director

D. S. Madhavani
Non-Executive & Independent Director

**AUDITOR'S CERTIFICATE**

To,
The Member of Kachchh Minerals Limited.

We have examined the compliance of the conditions of Corporate Governance by Kachchh Minerals Limited for the year ended 31st March, 2008 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange in India.

The Compliance of conditions of Corporate Governance is the responsibility of management. Our examination has been in the manner described in the guidance note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India and has been limited to the procedures and implementation thereof adopted by the company for ensuring the compliance with the conditions of Corporate governance. It is neither an audit nor an expression of the opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us and the representation made by the management, subject to the followings:

1. The code of conduct has not been posted to the company's website.

We certify that company has complied with the conditions of corporate governance as stipulated in clause 49 of Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per records maintained by the Shareholders / Investors Grievance Committee no material investors grievance were received by the company during the financial year 2007-08.

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

For **M. G. SIMARIA & CO**
Chartered Accountants.

Sd/-
Manilal G. Simaria
Proprietor

Place : Mumbai
Date : 25th August, 2008



M/S. M. G. SIMARIA & CO.
CHARTERED ACCOUNTANTS

ROOM NO. 18, S. M. BUILDING,
HINDUJA COLLEGE COMPOUND,
315 - C, R. R. ROY MARG,
CHARNI ROAD, MUMBAI - 400 004.
PHONE : 23 86 88 56.

AUDITOR'S REPORT

To,
THE MEMBERS OF KACHCHH MINERALS LTD.
MUMBAI.

We have audited attached Balance Sheet of **M/S. KACHCHH MINERALS LTD.** as at 31st March, 2008 and also profit & loss account for the year ended on that date annexed thereto and also Cash Flow Statement for the year ended on that date. 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.

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.

1. As required the companies (Auditors Report) Order 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies act, 1956, we annexed hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to above, we report that
 - a) We have obtained all the information and explanations, which to the best of our knowledge & belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of the Books of the Company.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the Books of Accounts.
 - d) In our opinion and subject to our observations, comments and Notes on the Accounts, the Profit & Loss Account, Balance Sheet and Cash Flow Statement so prepared comply with the Accounting Standard referred to in sub-section (3C) of section 211 of Companies Act, 1956, subject to following qualifications mentioned in below point (f).



- e) In our opinion and based on information and explanations given to us and on the basis of written representation received from the Directors as on 31.03.2008 and taken on record by the Board of directors of the Company, none of the Directors are disqualified as on 31.03.2008 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) Attention is invited to the following in SCHEDULE "O" notes on Accounts.

NOTE NO. 7

Regarding Company having no whole time Company Secretary.

NOTE NO. 10

Regarding non-ascertainment as well as non-provision of retirement benefits such as gratuity and leave encashment as required by accounting standard (AS 15) issued by the Institute of Chartered Accountants of India.

Subject to forgoing, in our opinion, and to the best of our information and according to explanations given to us, the said accounts, read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as on 31st March, 2008;
- (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and;
- (iii) In the case of Cash Flow Statement of the cash flows for the year ended as on that date.

For M. G. SIMARIA & CO
CHARTERED ACCOUNTANTS

Sd/-

MANILAL G. SIMARIA

Proprietor

Membership No. 31547

PLACE: Mumbai

DATE : 25th August, 2008.

**M/S M. G. SIMARIA & CO****ANNEXURE TO THE AUDITORS' REPORT**

(REFERRED TO IN PARAGRAPHS 1 OF OUR REPORT OF EVEN DATE ON ACCOUNTS FOR THE YEAR ENDED ON 31.3.2008)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- ° (b) We are informed that all the major assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification of Fixed Assets during the year.
- (c) In our opinion, no substantial part of the fixed assets has been disposed off during the year.
- (ii) (a) According to information and explanations given to us, the Company has conducted physical verification of inventories at reasonable intervals.
- (b) According to information and explanations given to us, the procedure of physical verification of inventories carried on by the management appears to be reasonable and adequate in relation to its size and nature of its business.
- (c) According to information and explanations given to us, the company is maintaining proper records of inventory; no material discrepancies were noticed between physical verification of stock as compared to book records.
- (iii) (a) The Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies firms or other parties. Therefore, the provisions of clause iii (b) of paragraph (4) of the order are not applicable.
- (c) According to the information and explanation given to us, the company has not granted any loans. Therefore provisions of clause iii (c) of the paragraph (4) of the order are not applicable.
- (d) According to the information and explanation given to us the company has not granted any loan. Therefore provisions of clause iii (d) of the paragraph (4) of the order are not applicable.
- (e) The Company has taken unsecured loan from companies, firms or other parties covered in the register maintained under section 301 of the Act, where the directors are interested
No. of Parties : 5
Amount involved : Rs. 26,60,000/-
- (f) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from the party listed in the Register maintained under section 301 of the Act are not prima facie prejudicial to the interest of the Company.
- (g) In our opinion, payment of principal amount and interest are regular. There is no overdue amount of loans/interest on loan taken except on Bank loan from



Development Credit Bank Ltd, Mumbai, which is outstanding since long amount of repayment of loan & interest is over due. The loan facility is declared as a non performing asset by the bank. Hence no interest is provided in the books of accounts.

- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventories stores, spare parts, components, fixed assets including plant & machinery, equipment and other assets and with regards to sale of goods. The company has not rendered any services. There is no continuing failure to correct major weakness in internal control of the Company.
- (v)
 - (a) According to the information and explanations given to us, transactions that need to be entered into the register maintained under Section 301 of the Act has been entered.
 - (b) In our opinion and according to explanation given to us, there are no transactions exceeding Rs. 5 lacs during this financial year in respect of any party.
- (vi) In our opinion and according to information and explanation given to us, the Company has not accepted any deposit from public u/s. 58 A & 58 AA of the Companies Act, 1956 except paid under contractual arrangement.
- (vii) The Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) According to information and explanations given to us by the management, the Central Govt. has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, for the products of the Company.
- (ix)
 - (a) According to the information and explanation given to us, no undisputed amount shown as payable in respect of items specified in clause ix (a) Income Tax, Wealth Tax, Gujarat Sales Tax, Custom Duty, Royalty, Excise Duty, Cess as were outstanding as on 31st March, 2008 for a period more than 6 months from the date they become payable.
 - (b) According to the information and explanation given to us, in case of Income Tax, Wealth Tax, Sales Tax, Excise/Custom Duty, Cess, there is no dispute.
- (x) The accumulated losses at the end of financial year 2007-2008 are more than 50% of Company's net worth. The Company has not incurred cash losses during the period covered by the report and in the financial year immediately preceding such financial year.
- (xi) According to explanation & information given to us by the management, the company has defaulted in the payment of loan to banks which is overdue & outstanding as per bank letter at Rs. 16,67,895. However the same is disputed by the Company. Hence the disputed amount is herewith shown as contingent liability in notes to Accounts & Bank balance appearing in Balance Sheet towards such loan is subject to final confirmation with bank. The loan is overdue since 01-09-2005 & no interest is provided on this secured loan. The bank has declared the credit facility as non-performing asset.



- (xii) According to information & explanation given to us, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provision of clause (xiii) paragraph (4) of the order are not applicable
- (xiv) The Company is not dealing in or trading in shares, Securities, debentures and other investment. Therefore the provisions of clause (xiv) of the Paragraph 4 of the order are not applicable.
- (xv) According to information & explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not obtained any new term loans from the banks and financial institutions during the year. The term loan outstanding at the beginning of the year was applied for the purpose for which they were raised.
- (xvii) According to the cash flow statement and other records examined by us and the information & explanations given to us, on an overall basis, funds raised on short term basis have not prima facie, been used during the year for long term investments .
- (xviii) According to the information & explanation given to us, during the year, 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.
- (xix) According to the information & explanation given to us, the Company had not issued any secured debentures during the year
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For **M. G. SIMARIA & CO**
CHARTERED ACCOUNTANTS

Sd/-

MANILAL G. SIMARIA
Proprietor

Membership No. 31547

PLACE : Mumbai

DATE : 25th August, 2008.



KACHCHH MINERALS LTD.

BALANCE SHEET AS ON 31.03.2008.

PREVIOUS YEAR RS.	DESCRIPTION	SCHEDULES	CURRENT YEAR RS.
	SOURCES OF FUND		
	1 SHARE HOLDER'S FUND		
52,098,000	SHARE CAPITAL	A	52,116,000
<u>3,541,551</u>	RESERVE AND SURPLUS	B	<u>3,051,724</u>
<u>55,693,551</u>			
	2 LOAN FUNDS		
671,324	SECURED LOAN	C 546,937	
<u>4,191,597</u>	UNSECURED LOAN	D <u>3,895,000</u>	<u>4,441,937</u>
<u>4,862,921</u>			
<u>60,502,472</u>		TOTAL RS.	<u>59,609,661</u>
	APPLICATION OF FUNDS		
14,270.309	1 FIXED ASSETS	E 14,267,236	
<u>5,033,095</u>	LESS : DEPRECIATION	<u>6,103,155</u>	
<u>9,237,214</u>	NET BLOCK		8,164,081
NIL	2 INVESTMENT	F	NIL
5,180,249	3 CURRENT ASSETS,		
	LOANS & ADVANCES	G 5,750,465	
<u>1,749,767</u>	LESS :CURRENT LIABILITIES		
	& PROVISION	H <u>1,072,002</u>	
	NET CURRENT ASSETS		4,678,463
<u>3,430,482</u>			
NIL	4 MISCELLANEOUS EXPENDITURE	I	NIL
NIL	A PRELIMINARY EXPENSES.		NIL
	(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		
47,834,776	B PROFIT & LOSS ACCOUNT		46,767,117
	DEBIT BALANCE		
<u>60,502,472</u>	(AS PER ANNEXED ACCOUNTS)	TOTAL RS.	<u>59,609,661</u>
	NOTES ON ACCOUNTS AND	O	
	DISCLOSURE OF SIGNIFICANT		
	ACCOUNTING POLICIES		

THE SCHEDULE " A " TO " N " AND " O " REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET

FOR AND ON BEHALF OF BOARD OF DIRECTORS
FOR M/S. KACHCHH MINERALS LIMITED.

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR M/S. M. G. SIMARIA & CO.
CHARTERED ACCOUNTANTS

(P. G. DAVDA)
DIRECTOR

(D. S. MADHAVANI)
DIRECTOR

MANILAL G. SIMARIA
(Proprietor)
Membership No. 31547

PLACE : Mumbai

DATE : 25th August, 2008.



KACHCHH MINERALS LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008.

PREVIOUS YEAR RS.	DESCRIPTION	SCHEDULE	CURRENT YEAR RS.
	A INCOME		
	SALES (NET)		
7,450,457	LOCAL SALES		8,184,484
581,349	OTHER INCOME \ RECEIPTS.	J	640,552
NIL	PROFIT ON SALE OF VEHICLE		12,393
8,031,806			8,837,429
	B EXPENSES		
3,679,856	1 MANUFACTURING & OTHER DIRECT EXPENSES	K	4,662,516
(389,482)	2 INCREASE / DECREASE IN INVENTORIES	L	(991,445)
909,744	3 ADMINISTRATION, SELLING & DISTRIBUTION EXP.	M	1,409,152
900,000	4 DIRECTOR'S REMUNERATION.		900,000
701,811	5 INTEREST & FINANCIAL EXPENSES	N	641,144
	6 BAD DEBTS WRITTEN OFF.		
NIL	SUNDRY DEBTORS.		24,229
1,000,000	ADVANCES NOT RECOVERABLE		NIL
1,129,105	7 DEPRECIATION.		1,094,953
7,931,034			7,740,549
100,772	8 NET PROFIT \ (LOSS) FOR THE YEAR. (A - B)		1,096,880
19,707	LESS : FRINGE BENEFIT TAX		29,221
81,065			1,067,659
(47,915,841)	9 ADD : PROFIT \ (LOSS) BROUGHT FORWARD.		(47,834,776)
NIL	10 LESS : PRIOR PERIOD ADJUSTMENT (NET)		NIL
(47,834,776)	BALANCE CARRIED TO BALANCE SHEET.		(46,767,117)
5,300,900	NO. OF EQUITY SHARES OF Rs. 10/- EACH		5,300,900
0.02	BASIC & DILUTED EARNING PER SHARE		0.20
	NOTES ON ACCOUNTS AND DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES	O	

FOR AND ON BEHALF OF BOARD OF DIRECTORS
FOR **M/S. KACHCHH MINERALS LIMITED.**

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR **M/S. M. G. SIMARIA & CO.**
CHARTERED ACCOUNTANTS

(**P. G. DAVDA**)
DIRECTOR

(**D. S. MADHAVANI**)
DIRECTOR

MANILAL G. SIMARIA
(Proprietor)

Membership No. 31547

PLACE : Mumbai

DATE : 25th August, 2008.

KACHCHH MINERALS LTD.

SCHEDULE ATTACHED TO BALANCE SHEET AS ON 31.03.2008.

SCHEDULE "A"

PREVIOUS YEAR RS.	DESCRIPTION	CURRENT YEAR RS.
	<u>SHARE HOLDER'S FUND</u>	
	<u>SHARE CAPITAL</u>	
	AUTHORISED SHARES CAPITAL	
<u>100,000,000</u>	AUTHORISED CAPITAL 1,00,00,000 EQUITY SHARES OF RS. 10/= EACH	<u>100,000,000</u>
	<u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>	
53,009,000	53,00,900 EQUITY SHARES OF RS. 10/- EACH FULLY PAID UP	53,009,000
911,000	LESS : CALLS IN ARREARS FROM SHARE HOLDERS	893,000
<u><u>52,098,000</u></u>		<u><u>52,116,000</u></u>

SCHEDULE "B"

	<u>RESERVE & SURPLUS</u>	
	<u>CAPITAL RESERVE</u>	
	1 STATE SUBSIDY	
4,102,000	OPENING BALANCE	3,541,551
560,449	LESS : RECOGNISED AS DEFERRED INCOME	489,827
	NOW CONSIDERED AS INCOME OF THE YEAR	
<u><u>3,541,551</u></u>		<u><u>3,051,724</u></u>

KACHCHH MINERALS LTD.

SCHEDULE ATTACHED TO BALANCE SHEET AS ON 31.03.2008.

SCHEDULE "C"

PREVIOUS YEAR RS.	DESCRIPTION	CURRENT YEAR RS.
	SECURED LOANS	
	A	
	1 CASH CREDIT FACILITIES FROM DEVELOPMENT CREDIT BANK LTD (SECURED AGAINST STOCKS BOOK DEBTS & COLLATERALLY SECURED BY SIMPLE DEPOSIT OF TITLE DEEDS OF FREEHOLD LAND AND PERSONALLY GUARANTEED BY THE DIRECTORS.)	
339,999	CASH CREDIT	339,999
NIL	ICICI CAR LOAN (SECURED AGAINST MOTOR CAR)	
	LOAN AMOUNT	331,325
<u>331,325</u>	LESS: REPAID	<u>124,387</u>
<u>671,324</u>		<u>206,938</u>
		<u>546,937</u>

SCHEDULE "D"

	UNSECURED LOAN	
4,191,597	LOANS FROM MEMBERS.	3,895,000
NIL	ADD: INTEREST ACCURED & OVER DUE	NIL
<u>4,191,597</u>		<u>3,895,000</u>

KACHCHH MINERALS LTD.

SCHEDULE - "E" SCHEDULES TO THE BALANCESHEET AS AT 31 ST MARCH 2008.

SR. NO	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		ASAT 01.04.2007 RS.	ADDITION RS.	DELETION RS.	ASAT 31.03.2008 RS.	ASAT 01.04.2007 RS.	FOR THE YEAR RS.	ASAT 31.03.2008 RS.	WRITTEN OFF ON ASSETS SOLD FOR CURR. YR.	ASAT 31.03.2008 RS.	ASAT 31.03.2007 RS.
1	LAND & LAND DEVELOPMENT (FREE HOLD)	339,581	NIL	NIL	339,581	NIL	NIL	NIL	NIL	339,581	339,581
2	BUILDING	2,827,228	NIL	NIL	2,827,228	478,922	117,415	596,337	NIL	2,230,891	2,348,306
3	PLANT & MACHINERY	9,866,440	41,127	NIL	9,907,567	3,921,231	829,927	4,751,158	NIL	5,156,409	5,945,209
4	COMPUTER	38,500	NIL	NIL	38,500	22,615	6,354	28,969	NIL	9,531	15,885
5	VEHICLES	834,924	NIL	52,500	782,424	372,954	119,605	492,559	24,893	314,758	461,970
6	FURNITURE	96,704	NIL	NIL	96,704	18,620	14,133	32,753	NIL	63,951	78,084
7	OFFICE EQUIPMENT	266,932	8,300	NIL	275,232	218,753	7,519	226,272	NIL	48,960	48,179
	TOTAL	14,270,309	49,427	52,500	14,267,236	5,033,095	1,094,953	6,103,155	24,893	8,164,081	9,237,214
	PREVIOUS YEAR	13,593,459	676,850	NIL	14,270,309	3,903,990	1,125,105	5,033,095	NIL	9,237,214	9,689,469





KACHCHH MINERALS LTD.

SCHEDULE ATTACHED TO BALANCE SHEET AS ON 31.03.2008.

SCHEDULE "F"

INVESTMENT

PREVIOUS YEAR RS.	DESCRIPTION	CURRENT YEAR RS.
NIL		NIL
NIL		NIL

SCHEDULE "G"

CURRENT ASSETS, LOANS AND ADVANCES.

PREVIOUS YEAR RS.	DESCRIPTION	CURRENT YEAR RS.
	A CURRENT ASSETS	
	1 STOCK (CERTIFIED AS TO QUANTITY AND VALUE BY MANAGEMENT)	
1,590,075	RAW MATERIALS	1,793,358
365,776	FINISHED GOODS.	1,153,938
2,295	DIESEL	13,669
1,958,146		2,960,965
	2 SUNDRY DEBTORS	
	DEBTS OUTSTANDING FOR MORE THAN 6 MONTHS	
441,218	CONSIDERED GOOD.	320,863
NIL	CONSIDERED DOUBTFUL.	NIL
441,218		320,863
1,426,884	OTHERS CONSIDERED GOOD.	959,208
1,868,102		1,280,071
	3 CASH & BANK BALANCE	
98,113	CASH ON HAND.	106,501
	BALANCE WITH SCHEDULED BANKS IN	
	A CURRENT ACCOUNT	
47,138	BHUJ MERCANTILE CO-OP. BANK LTD.	71,719
43,414	UTI BANK	63,481
25,000	B FIXED DEPOSIT ACCOUNT WITH	25,000
	BHUJ MERCANTILE CO-OP. BANK LTD.	
213,665		266,701
4,039,913		4,507,737
	TOTAL (A)	

**B LOANS AND ADVANCES (UNSECURED)**

ADVANCES RECOVERABLE IN CASH OR IN KIND

46,506	FOR VALUE TO BE RECEIVED.	57,167
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LOANS AND ADVANCES

808,500	a	CONSIDERED GOOD.	855,495
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NIL	b	CONSIDERED DOUBTFUL.	NIL
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OTHER CURRENT ASSETS

225,330	DEPOSITS	225,330
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60,000	ADVANCE GIVEN TO SUNDRY CREDITORS	104,736
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<u>1,140,336</u>	TOTAL (B)	<u>1,242,728</u>
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<u>5,180,249</u>	TOTAL (A + B)	<u>5,750,465</u>
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SCHEDULE "H"**CURRENT LIABILITIES AND PROVISION**

PREVIOUS YEAR RS.	DESCRIPTION	CURRENT YEAR RS.
	SUNDRY CREDITORS	
27,582	FOR GOODS	71,730
332,574	FOR CAPITAL GOODS	19,184
1,318,918	FOR EXPENSES	908,286
69,721	STATUTORY LIABILITIES	72,802
972	ADVANCE RECEIVED FROM DEBTOR	NIL
<u>1,749,767</u>		<u>1,072,002</u>

SCHEDULE "I"

PREVIOUS YEAR RS.	DESCRIPTION	CURRENT YEAR RS.
	MISCELLANEOUS EXPENSES	
	(TO THE EXTENT NOT WRITTEN OFF)	
NIL	PRELIMINARY EXPENSES	NIL
NIL	LESS : WRITTEN OFF DURING THE YEAR.	NIL
<u>NIL</u>		<u>NIL</u>



KACHCHH MINERALS LTD.

SCHEDULE "J"

PREVIOUS YEAR RS.	DESCRIPTION	CURRENT YEAR RS.
	OTHER INCOME	
560,449	SUBSIDY RECOGNISED AS DEFERRED INCOME	489,827
1,064	BLANCE REITTEN OFF	NIL
19,836	INTEREST	30,725
NIL	PROFESSIONAL FEES RECD.	120,000
<u>581,349</u>		<u>640,552</u>

SCHEDULE "K"

MANUFACTURING & OTHER EXPENSES.

PREVIOUS YEAR RS.	DESCRIPTION	CURRENT YEAR RS.
253,194	MINING MATERIAL AND INCIDENTAL EXPENSES	318,945
100,402	STORES & TOOLS CONSUMED	128,435
75,120	PACKING MATERIAL	72,104
468,492	ROYALTY	499,948
52,000	SALARY, WAGES AND ALLOWANCES	102,550
540,247	POWER AND FUEL	906,454
1,837,980	GRINDING\PROCESSING \ CONTRACT LABOUR CHARGES	2,085,772
292,251	TRACTOR CHARGES	479,515
60,170	REPAIRS AND MAINTENANCE	68,793
<u>3,679,856</u>		<u>4,662,516</u>

SCHEDULE "L"

INCREASE AND DECREASE IN STOCK

PREVIOUS YEAR RS.	DESCRIPTION	CURRENT YEAR RS.
	OPENING STOCK	
NIL	WORK IN PROGRESS	NIL
1,566,369	RAW MATERIALS & FINISHED GOODS	1,955,851
1,566,369		1,955,851
	LESS : CLOSING STOCK OF	
1,955,851	RAW MATERIALS & FINISHED GOODS(EXCLUDING DIESEL)	2,947,296
(389,482)		(991,445)
<u>(389,482)</u>		<u>(991,445)</u>



KACHCHH MINERALS LTD.

SCHEDULE "M"

PREVIOUS YEAR RS.	DESCRIPTION	CURRENT YEAR RS.
	<u>ADMINISTRATIVE , SELLING AND DISTRIBUTION EXPENSES</u>	
2,420	1 FREIGHT OUTWARD	2,750
76,390	2 VEHICLE EXPENSES	126,021
90,000	3 RENT, RATES & TAXES	128,400
23,917	4 TRAVELLING EXPENSES	98,519
11,236	5 AUDIT FEES	35,000
152,604	6 POSTAGE & TELEPHONE	174,762
53,427	7 PROFESSION FEES & CONSULTANCY FEES	106,500
29,906	8 INSURANCE	33,728
28,760	9 CONVEYANCE	34,033
49,260	10 PRINTING & STATIONERY	50,526
170,617	11 MISCELLANEOUS EXPENSES	238,108
188,670	12 SALARY & WAGES	334,790
32,280	13 STAFF WELFARE	45,956
257	14 SALES TAX	60
<u>909,744</u>		<u>1,409,152</u>

SCHEDULE "N"

PREVIOUS YEAR RS.	DESCRIPTION	CURRENT YEAR RS.
	<u>INTEREST & FINANCIAL CHARGES</u>	
433,927	INTEREST ON LOAN	533,794
250,000	INTEREST ON ROYALTY	97,250
17,884	BANK COMMISSION & CHARGES	10,100
<u>701,811</u>		<u>641,144</u>

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008**

- 1 The financial statements have been prepared on assumption that the company is a going concern.
2. **SIGNIFICANT ACCOUNTING POLICIES SUBJECT TO AND READ WITH NOTES NO. 1 ABOVE**
 - 2.1 **GENERAL :**
 - A The accounts are prepared under the historical cost convention & accrual basis. Accounts are made in accordance with the generally accepted accounting principle and the provisions of the Companies Act, 1956 as adopted earlier and consistently followed by the Company. Provision for retirement Liabilities has not been made. The accounts are made and it confirms in all accounting standards in material aspects except AS-15 issued by the Institute of Chartered Accountants of India. However, the following cases are accounted on cash basis. :

Expenses related :- Retirement benefit, gratuity paid are accounted on payment basis, if any. This is required to be provided as per AS-15, has not been provided.
 - B Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principle.
 - 2.2 **FIXED ASSETS:**

Fixed Assets and additions thereto are disclosed at cost inclusive of freight, duties, taxes and all incidental expenses related thereto and borrowing cost upto its use. The assets sold for which balance was written off.
 - 2.3 **DEPRECIATION:**
 - A Depreciation on assets is provided on written down value method applying the rates specified in Schedule XIV to the Companies Act, 1956.
 - B Depreciation on additions to fixed assets is provided on pro-rata basis from the date of assets put to use.
 - C Depreciation on deletion / sale / dispose of assets has been calculated on pro-rata basis up to the date of deletion / sale / disposal.
 - 2.4 **INVENTORIES:**

Inventories at the year end are valued as under:

 - a) Raw material at cost.
 - b) Finished goods at cost or market value whichever is less.
 - c) Stores and tools at cost.
 - 2.5 **RETIREMENT BENEFIT:**

Retirement benefit, gratuity payments for which no provisions made and the same is accounted on payment basis, if any.



2:6 REVENUE RECOGNITION :

SALES:

Revenue from sales of goods is recognized upon passage of title to the customer, which generally coincides with their delivery.

2:7 **BORROWING COST.:**

- i) Borrowing cost that are attributable to the acquisition of qualifying assets are capitalized as a part of the cost of such fixed assets up to the date when such assets are ready for its intended use.
- ii) All other borrowing cost not attributed to any assets are charged to revenue.
- iii) Amount of borrowing cost capitalized as per AS-16 during the year was NIL.

2:8 **SEGMENT REPORTING.:**

The Company is basically operating in one segment i.e. mining materials. Hence, no segment wise disclosure as per AS -17 is provided.

2:9 DEFERRED TAX :

As per AS -22 issued by ICAI, the Company has not credited any Deferred Tax assets as availability of future taxable profit to realize deferred tax assets cannot be estimated with virtual certainty. Since Deferred Tax Assets exceeds Deferred Tax Liabilities, no provision has been made for Deferred Tax Liabilities.

2:10 **Impairment of Assets.:**

An Asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2:11 Investments are generally shown at cost. However, there is no investment at the end of the year.

2:12 EARNING PER SHARE : (AS-20)

	As on 31.03.2008	As on 31.03.2007
a) Net Profit /Loss during the period	10,96,880	1,00,772
b) Equivalent No. of Equity Shares of Rs. 10/- each	52,09,800	52,09,800
c) Basic / Diluted Earnings (Loss) Per shares (a / b)	0.20	0.02

2:13 **SUBSIDY:**

- (a) As per AS-12 total subsidy amount of Rs. 60 lacs is taken as deferred income in proportion of depreciation over the estimated useful life of assets i.e. 15 years for plant and machinery and 30 years for building. This method is consistently followed.

3: PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS (AS-29):

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events & it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

CONTINGENT LIABILITIES: **31.03.2008** **31.03.2007**

Claim against the Company not acknowledged as debts nor provided for :

Contingent Liabilities not provided for in respect of financial charges & interest raised by Development Co-op Bank, Mumbai.	16,67,895	16,67,895
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4: RELATED PARTY DISCLOSURE (AS IDENTIFIED BY THE MANAGEMENT):

i) Related Party relationship

a) Where control exists :

b) Director / Key Management Personnel:

MR. P. G. DAVDA**DIRECTOR****MR. KISHORE G. DAVDA****DIRECTOR****MR. D.S. MADHAVANI.****DIRECTOR**c) **RELATIVES OF KEY MANAGEMENT PERSONNEL & DIRECTOR**

Smt. N. D. Madhavani

Wife of Director D.S. Madhavani.

Pratap G. Davda (HUF)

Karta of the HUF is the Director.

Bharati P. Davda

Wife of Director Pratap G. Davda.

Jasumati P. Davda

Wife of Director Kishore G. Davda

Rupal P. Davda

Daughter of Director Pratap G. Davda.

ii) Transaction with related parties in the ordinary course of business :

Transaction/ Nature of relationship	Concern in which Directors are interested		Key Management Personnel (KMP)		Relatives of KMP directors	
	Year Ended 31.3.2008	Year Ended 31.3.2007	Year Ended 31.3.2008	Year Ended 31.3.2007	Year Ended 31.3.2008	Year Ended 31.3.2007
1 Sale /Purchase of Goods, Service and other income.	-	94,552	-	-	-	-
2 Interest payment	-	-	7,153	21,600	2,79,511	91,735
3 Managerial Remuneration	-	-	9,00,000	9,00,000	-	-
4 Loans From	-	-	20,000	NIL	26,40,000	4,75,000
5 Rent and infrastructure Facilities	-	-	-	-	1,08,000	1,08,000

5: The balance of debtors, creditors, deposit and loans and advances, are subject to confirmation from parties.

6:

PAYMENT TO AUDITORS	31.03.2008	31.03.2007
Audit fees	20,000	11,236
Taxation matters	15,000	8,427
TOTAL	35,000	19,663

7: The Company has no whole time Company Secretary within the meaning of section 383 A of the Companies Act, 1956.

8: No provision for taxation has been made in view of carry forward losses.

9: In the opinion of the Board of Directors the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which items are stated in the Balance sheet.

10: The Company has neither provided nor ascertained the amount of retirement benefits such as Gratuity and Leave Encashment etc., as required by Accounting Standard (AS -15) issued by the Institute of Chartered Accountants of India.

11: Payment of remuneration to whole time directors includes Rs. 6,00,000/- to Mr. Prataprai G. Davda and Rs. 3,00,000/- to Mr. Kishore G. Davda.

12: ADDITIONAL INFORMATION PURSUANT TO THE PARAGRAPHS 3, 4C AND 4 D OF PART II TO SCHEDULE VI TO THE COMPANIES ACT, 1956.

1. **LICENSED AND INSTALLED CAPACITY :**

(AS CERTIFIED BY THE MANAGEMENT)

	31.03.2008		31.03.2007	
	LICENSED	INSTALLED	LICENSED	INSTALLED
CHINA CLAY	N.A.	15,000 TONS	N.A.	15,000 TONS
SILICA SAND	N.A.	NIL	N.A.	NIL

2. **OPENING AND CLOSING STOCK OF FINISHED GOODS / RAW MATERIAL
(AS CERTIFIED BY MANAGEMENT IN QUANTITY & VALUE)**

	31.03.2008				31.03.2007			
	OPENING		CLOSING		OPENING		CLOSING	
	QTY /MT	VALUE RS.	QTY MT	VALUE RS.	QTY /MT	VALUE RS	QTY /MT.	VALUE RS.
CHINA CLAY (GRADE "A")	5.27	3,625	284.085	2,64,841	NIL	NIL	5.27	3,625
CHINA CLAY (GRADE "B")	572.455	1,97,572	1,065.05	4,59,676	1,898.30	7,82,013	572.455	1,97,572
SILICA SAND	3,000.00	1,64,579	3,000.00	1,64,579	3,000.00	1,64,579	3,000.00	1,64,579
ROM	15,272.66	15,90,075	22,049.66	17,93,358	4,652.21	6,19,776	15,272.66	15,90,075

1. **OPENING & CLOSING STOCK OF STORES & TOOLS****31.03.2008****31.03.2007**

OPENING VALUE	CLOSING VALUE	OPENING VALUE	CLOSING VALUE
NIL	NIL	NIL	NIL

2. **ACTUAL PRODUCTION**

	31.03.2008 QTY/MT	31.03.2007 QTY/MT
A CHINA CLAY Manufacturing(Grade "A" /Grade "B")	7,489.600	5,339.020
B WASTE MATERIAL (Out of written off channel waste)	725.165	1,114.720
C KAOLIN	NIL	NIL
D SILICA SAND	NIL	NIL
E ROM	16,498.665	20,606.985

3. **SALES (NET) (AS CERTIFIED BY MANAGEMENT AS TO QUANTITY AND VALUE):**

	31.03.2008		31.03.2007	
	QTY/MT	AMT.RS.	QTY/MT	AMT.RS.
A CHINA CLAY (NON-TRADING)	6,718.190	64,98,502	6,659.595	57,33,708
B WASTE MATERIAL	725.165	1,17,397	1,114.72	94,059
C ROM	9,721.665	15,68,585	9986.535	16,22,690
TOTAL	17,165.020	81,84,484	17,760.85	74,50,457

4. CONSUMPTION OF STORES / TOOLS / SPARES Rs 1,28,435 1,00,402

PACKING MATERIAL ALL INDIGENIOUS

5. EARNING IN FOREIGN CURRENCY (FOB) NIL NIL

6. EXPENDITURE IN FOREIGN CURRENCY NIL NIL

7. REMUNERATION PAID TO WHOLE TIME EXECUTIVE DIRECTORS Rs.9,00,000 9,00,000

8. VALUE OF IMPORTED RAW -MATERIAL AND SPARES NIL NIL

9. C.I.F. VALUE OF IMPORTED MATERIAL NIL NIL

10. Information pursuant to part IV of the Companies Act, 1956 viz. Balance sheet abstract and general business profile and cash flow statement pursuant to clause 32 of listing agreement are annexed hereto.



11. The Company does not possess information as to which of its suppliers are Industrial Undertaking & SSI. In the absence of intimation from the vendors with regards to their registration (filing of memorandum) under " the Micro, Small & Medium Enterprise Development Act, 2006 (27 of 2006)." hence no disclosure have been made in this regard.
12. Figure of the previous year have been re-grouped / rearranged / reclassified wherever necessary.

NOTES ON ACCOUNTS - SCHEDULE "O"

THE SCHEDULES REFERRED TO ABOVE AND THE NOTES IN SCHEDULE 'O' FORMS AN INTEGRAL PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FROM AND ON BEHALF OF BOARD OF DIRECTOR AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR **M/S. KACHCHH MINERALS LIMITED**

FOR **M/S. M.G. SIMARIA & CO.**
CHARTERED ACCOUNTANTS

Sd/- Sd/-
(P.G. DAVDA) (D.S. MADHAVANI)
Director Director

Sd/-
MANILAL G. SIMARIA
Proprietor

Place : Mumbai
Date : 25th August, 2008.



KACHCHH MINERALS LTD.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS			
REGISTRATION NOS.	24282	STATE CODE	11
BALANCE SHEET DATE	31.03.2008		
II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)			
PUBLIC ISSUE	NIL	RIGHT ISSUE	NIL
BONUS ISSUE	NIL	PRIVATE PLACEMENT	NIL
III POSITION OF MOBILISATION & DEPLOYMENT OF FUND (AMOUNT IN RS. THOUSANDS)			
TOTAL LIABILITIES	59,610	TOTAL ASSETS	59,610
SOURCES OF FUNDS		APPLICATION OF FUNDS	
		NET FIXED ASSETS	8,164
PAID UP CAPITAL	52,116	INVESTMENT	NIL
RESERVE & SURPLUS	3052	NET CURRENT ASSETS	4,679
SECURED LOAN	547		
UNSECURED LOAN	3,895	MISC. EXPENDITURE	46,767
		(DEBIT OF P/L A/C.)	
IV PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)			
TURNOVER INCLUDING	8,837	TOTAL EXPENDITURE	7,741
OTHER INCOME			
PROFIT BEFORE TAX	1,097	PROFIT AFTER TAX	1,068
EARNING PER SHARE	0.20	DIVIDEND RATE %	NIL
V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF COMPANY (AS PER MONETARY TERMS)			
ITEMS CODE NO.	N. A.		
PRODUCT DESCRIPTION	CHINA CLAY, SILICA SAND AND MINERAL MATERIAL.		

FOR AND ON BEHALF OF BOARD OF DIRECTORS
FOR **M/S. KACHCHH MINERALS LIMITED.**

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR **M. G. SIMARIA & CO.**
CHARTERED ACCOUNTANTS

(P. G. DAVDA)
DIRECTOR

(D.S. MADHAVANI)
DIRECTOR

M.G. SIMARIA
(Proprietor)
Membership No. 31547

PLACE : Mumbai
DATE : 25th August, 2008.



KACHCHH MINERALS LTD.
CASH FLOW STATEMENT FOR
THE YEAR ENDED AS ON 31.03.2008.

PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT.

		(Rs. IN LACS)	
SR. NO.	PARTICULARS	2007 - 2008.	2006 - 2007
A	CASH FLOW FROM OPERATING ACTIVITIES :		
	NET PROFIT FOR THE YEAR	10.68	0.81
	EXTRAORDINARY ITEMS (INCOME)		
	SUBSIDY OFFERED AS INCOME (4.90)		
	SCRAP SALE NIL	(4.90)	(5.61)
	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	5.89	(4.80)
	ADJUSTMENT FOR DEPRECIATION.	10.95	11.29
	ADJUSTMENT FOR INTEREST.	6.41	7.02
	LOSS /(PROFIT) ON SALE OF FIXED ASSETS	(0.12)	NIL
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	23.02	13.51
	ADJUSTMENT FOR		
	TRADE AND OTHER RECEIVABLES (EXCLUDING W/OFFS)	4.86	1.37
	INVENTORIES	(10.03)	(3.82)
	TRADE PAYABLES (EXCLUDING WRITE BACKS)	(6.78)	(4.62)
	CASH GENERATED FROM OPERATIONS	11.07	6.44
	INTEREST PAID	(6.41)	(7.02)
	INCREASE / DECREASE IN BANK BORROWINGS FROM W. C.	NIL	(0.69)
	INFLOW (OUTFLOW) BEFORE EXTRA ORDINARY ITEMS		
	EXTRA ORDINARY ITEM		
	CASH OUTFLOW FROM OPERATING ACTIVITIES		
	AFTER EXTRA ORDINARY ITEMS (A)	4.65	(1.27)
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	PURCHASE OF FIXED ASSETS / CAPITAL WIP	(0.49)	(6.77)
	SALE OF FIXED ASSETS	0.40	NIL
	PURCHASE OF INVESTMENT	NIL	NIL
	SALE OF INVESTMENT	NIL	0.20
	CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	(0.09)	(6.77)


C CASH FLOW FROM FINANCING ACTIVITIES :

REVERSAL OF INTEREST & OTHER CHARGES OF BANK	NIL	0.20
CALL IN ARRERAS RECEIVED	0.18	NIL
INCREASE IN TERM LOAN WITH O/S INTEREST	NIL	(0.16)
INCREASE / DECREASE IN OTHERS BORROWINGS	(4.21)	8.97
NET CASH USED IN FINANCING ACTIVITIES (C)	(4.03)	9.01
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	0.53	0.97
CASH AND CASH EQUIVALENT AS AT THE OPENING (OPENING BALANCE)	2.14	1.17
CASH AND CASH EQUIVALENT AS AT THE CLOSING (CLOSING BALANCE)	2.67	2.14

Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the AS-3 "Cash Flow Statements" issued by ICAI.
2. Previous year figures have been regrouped wherever necessary to confirm the current year presentation.

FOR AND ON BEHALF OF BOARD OF DIRECTORS
FOR **M/S. KACHCHH MINERALS LIMITED.**

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR **M. G. SIMARIA & CO.**
CHARTERED ACCOUNTANTS

(**P. G. DAVDA**)
DIRECTOR

(**D.S. MADHAVANI**)
DIRECTOR

M.G. SIMARIA
(Proprietor)
Membership No. 31547

PLACE : Mumbai
DATE : 25th August, 2008.



KACHCHH MINERALS LTD.

REGISTERED OFFICE

22, Mansur Building, 1st Floor,
98, Princess Street, Mumbai – 400 002.

ATTENDANCE CARD

L.F. No.
No. of Shares held

I / We hereby record my / our presence at the 27th Annual General Meeting of the Company at 22, Mansur Building, 98, Princess Street, Mumbai – 400 002. at 10.00 A.M. on Monday, 29th September 2008.

NAME OF THE SHARE HOLDER (IN BLOCK LETTERS) _____

SIGNATURE OF THE SHAREHOLDER / PROXY* _____

NOTE :

*Strike out whichever is not applicable.

1. You are requested to sign and hand this over at the entrance.
2. If you intend to appoint a proxy to attend the meeting instead of yourself, the Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

KACHCHH MINERALS LTD.

REGISTERED OFFICE

22, Mansur Building, 1st Floor,
98, Princess Street, Mumbai – 400 002.

FORM OF PROXY

L.F. No.
No. of Shares held

I / We _____ of _____

being a member / members of the above mentioned Company hereby appoint _____

of in the district of _____

as my / our proxy to vote for me / us on my / our behalf at the Twenty-Seventh Annual General Meeting of

the Company to be held on Monday, 29th September 2008 and at any adjournment thereof.

Signed this _____ day of _____ 2008.

Affix 1 Rupee Revenue Stamp

NOTES:

Signature _____

1. The Proxy form must be deposited at the Registered Office of the Companies, not less than 48 hours before the time for holding the meeting.
2. This form must be used in favour / against of the resolution, unless otherwise directed, the proxy will vote as he / she thinks fit. * Strike out whichever is not applicable.



**KACHCHH MINERALS LTD.****REGISTERED OFFICE**

22, Mansur Building, 1st Floor,
98, Princess Street, Mumbai – 400 002.

ATTENDANCE CARD

L.F. No.

No. of

Shares

held

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NAME OF THE SHARE HOLDER (IN BLOCK LETTERS) _____

SIGNATURE OF THE SHAREHOLDER / PROXY* _____

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KACHCHH MINERALS LTD.**REGISTERED OFFICE**

22, Mansur Building, 1st Floor,
98, Princess Street, Mumbai – 400 002.

FORM OF PROXY

L.F. No.

No. of

Shares

held

I / We _____ of _____

being a member / members of the above mentioned Company hereby appoint _____

of in the district of _____

as my / our proxy to vote for me / us on my / our behalf at the Twenty-Seventh Annual General Meeting of

the Company to be held on Monday, 29th September 2008 and at any adjournment thereof.

Signed this _____ day of _____ 2008.

Affix

1 Rupee

Revenue

Stamp

NOTES:

Signature _____

1. The Proxy form must be deposited at the Registered Office of the Companies, not less than 48 hours before the time for holding the meeting.
2. This form must be used in favour / against of the resolution, unless otherwise directed, the proxy will vote as he / she thinks fit. * Strike out whichever is not applicable.







Book Post

Registered Office:
KACHCHH MINERALS LTD.
22, Mansur Building, 1st Floor,
98, Princess Street,
Mumbai – 400 002.