

TWENTIETH ANNUAL REPORT
2007-2008



MINAL ENGINEERING LIMITED

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:

214/A, Paradise Complex,
Sayajigunj, Baroda - 390 005

Auditors:

M/s Chandrakant & Sevantilal & J.K. Shah & Company,
Chartered Accountants,
301, Lalita Tower, 3rd Floor,
Near Hotel Rajpath,
Bh. Rly. Station - Akota Road,
Vadodara - 390 007.

Bankers:

Corporation Bank,
Alkapuri, Vadodara.

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The Twentieth Annual General Meeting of the company will be held on 30th September, 2008 at 11.30 a.m. at the Registered Office of the Company at 214/A, Paradise Complex, Sayajigunj, Vadodara.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twentieth Annual General Meeting of the Company will be held on Tuesday the 30th September, 2008 at 11.30 a.m. at the Registered Office of the Company at 214/A, Paradise complex, Sayajigunj, Vadodara - 390005, Gujarat to transact the following businesses:

ORDINARY BUSINESS

- 1) To consider, approve and adopt the Balance sheet as at 31st March, 2008 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 Mr. Vikram Parikh, who retires by rotation at the ensuing Annual General Meeting of the company and being eligible, offers himself 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 Chandrakant & Seventilal & J.K. Shah & 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 Engineering Limited**

**Place: Vadodara
Date: 30-07-2008**

**V. J. Parikh
Director**

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 September, 2008 to 29th September, 2008. (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 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.
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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the **20th Annual Report** together with the Audited Financial Statement along with the Report of the Auditors **for the year ended on 31st March 2008.**

➤ **Financial Results and Profitability:**

	<i>Rs. In Lacs</i>	
FINANCIAL RESULTS	2007-08	2006-07
Total Income	91.85	262.90
Total Expenditure	192.98	41.99
Profit before Depreciation & Tax	(81.13)	220.91
Less: Depreciation	8.78	4.46
Profit before tax	(89.91)	216.45
Provision for tax	1.24	6.47
Profit after Tax	(91.16)	209.98
Profit bought forward	120.35	34.91
Profit available for appropriation	29.18	244.89
Appropriations:		
Dividend	0	63.70
Dividend Tax	0	10.82
Transfer to General Reserve	0	50.00
Balance Carried forward	29.18	120.35
Paid up Equity Share Capital	637.00	637.00
Share Forfeited Account	75.53	75.53
Reserves and Surplus	222.31	313.47

➤ **Operation**

Your directors take pleasure in reporting that the company has achieved a turnover of Rs. 110.67 Lacs. The company has incurred a Loss of Rs. 81.13 Lacs before depreciation and interest as against Profit Rs. 220.91 Lacs in the previous year. After providing a sum of Rs. 8.78 Lacs towards depreciation, Income Tax provision of Rs. 0.70 Lacs and after adjusting a sum of Rs. 0.54 Lacs towards deferred tax, the operation resulted in net loss of Rs. 91.16 Lacs as against profit of Rs. 209.98 Lacs in the previous year.

M/s C. Mahendra Infojewels, which resulted Loss of Rs. 306.44 Lacs during the year, the firm in which the company is a partner.

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

The company has made net loss of Rs. 91.16 Lacs during the year thus no sum is appropriated to the reserves.

➤ **Dividend**

Since the company has incurred loss no dividend has been declared.

➤ **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 :**

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

➤ **Auditors:**

The Statutory Auditors of the Company M/s Chandrakant & Sevantilal & J. K. Shah & 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.

➤ **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: Vadodara
Date : 30.07.2008

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	: 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	63909
Total Amount	200884.00
Rate/ Unit	3.14/-
b) Own generation	
(i) Through diesel generator Unit	
Unit per-ltr of diesel oil Cost/unit	
(ii) Through steam turbine/generator Units	
Unit per-ltr of fuel oil/gas Cost/unit	
2. Coal (specify quantity and where used)	
Quantity (tones)	
Total Cost	
Average Rate	
3. Furnace Oil	
Quantity (tones)	
Total Cost	
Average Rate	
4. Others	
Quantity (tones)	
Total Cost Rate/unit	

Not Applicable

B. Consumption per unit of production	Standards If any	Current Year	Previous Year
Products (with details) unit			
Electricity			
Furnace Oil not ascertained			
Coal (specify quantity)			
Others (specify)			

Not Applicable

FORM B (See Rule 2)

Form for disclosure of particulars with respect to absorption.

Research and Development (R&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
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
<i>Executive Director:</i>				
Mr. Shrikant Parikh, Managing Director	6	5	Nil	Yes
<i>Non- Executive Directors:</i>				
Mr. J. B. Parikh, Chairman	6	6	Nil	Yes
Mr. Vikram J. Parikh, Director	6	6	Nil	Yes
Mr. Amul J. Patel, Director	6	Nil	Nil	Yes
Mr. J.V. Joshi, Director	6	6	Nil	Yes
Ms. Arpita S. Parikh	6	1	Nil	No

(B) Board and Committees:

During the year 2007-08, the Board of Directors met on 6 occasions on the following dates: 01/06/2007, 29/06/2007, 30/07/2007, 30/10/2007, 21/12/2007 & 31/01/2008.

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 the 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 2007-08 are as under:

Name of Director	Sitting Fee	Salary & Other perquisites	Commission	Total
Mr. J. B. Parikh	-	-	-	-
Mr. Shrikant J. Parikh	-	Rs. 81000/-	-	-
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. 37.87 Lacs. Net Loss of the company stood at 91.16 Lacs..

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

Shareholders:

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

Means of Communication

- 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.

General Shareholder's Information:**(i) Annual General Meeting:**

The Twentieth Annual General Meeting of the Company will be held on Tuesday, 30th September, 2008 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., 2008 to 29th Sep., 2008 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
- Ahemedabad 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, 2007 to March, 2008 is as under.

Months	High (Rs.)	Low (Rs.)	Months	High (Rs.)	Low (Rs.)
April, 07	52.40	44.30	October 07	66.95	36.20
May, 07	66.60	38.00	November, 07	100.30	66.25
June, 07	73.35	50.10	December, 07	113.95	76.50
July, 07	54.00	41.25	January, 08	104.00	55.80
August, 07	53.70	37.40	February, 08	60.66	41.00
September, 07	46.90	40.50	March, 08	48.10	29.75

(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, 2008, 5475614 shares were in Dematerialized form representing 85.96% of the total shares.

(ix) Distribution of Shareholding

Nominal value of Shareholding (Rs.)	Shareholders		Amount held	
	Numbers	% to total	In Rs.	% to total
1-5000	779	78.93	1194680	1.80
5001-10000	84	8.51	682130	1.07
10001-20000	75	7.60	1217580	1.91
20001-30000	16	1.62	398780	0.63
30001-40000	4	0.41	134160	0.21
40001-50000	4	0.41	176460	0.28
50001-100000	14	1.42	946520	1.49
100001 and above	11	1.11	58950490	92.54
Total	987	100.00	63700800	100.00

(x) Shareholding Pattern

	Category	No. of shares held	percentage of shareholding
1	Promoter Holding	5688860	89.31
2	Mutual Funds and UTI	Nil	Nil
3	Banks, FI, Insurance Companies	Nil	Nil
4	Private Corporate Bodies	83782	1.31
5	NRI's/ OCBs	984	0.01
6	Indian Public	590619	9.27
7	Trusts	400	0.01
8	Clearing Members in Transit	5435	0.09
	GRAND TOTAL	63,70,080	100.00

(xi) Site Location:

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

(xii) Address for Investors' Correspondance:

Registered Office: 214/A, Paradise Complex, Sayajigunj, Vadodara - 390 005.

o Particulars of past three Annual General Meetings:

	2005	2006	2007
Date of the AGM	8 th August, 2005	30 th September, 2006	29 th September, 2007
Venue	Company's Registered Office at Baroda	Company's Registered Office at Baroda	Company's Registered Office at Baroda

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.

II. 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.

III. 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 Engineering 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 Engineering Limited,**

We have examined the compliance conditions of Corporate Governance by the Minal Engineering Limited for the year ended 31st March, 2008, as stipulated in clause 49 of the Listing Agreement of the Minal Engineering 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 Chandrakant & Sevential & J.K. Shah & Co.
Chartered Accountants**

Place: Baroda
Date: 28.06.2008

(H.B. Shah)
Partner

COMPLIANCE CERTIFICATE

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

Registration No.: 04-10259

Nominal Capital: 10, 00,00,000/-

To,

The Members,

Minal Engineering Limited,

214/A Paradise Complex,

Sayajigunj, Vadodara – 390 005

I/We have examined the registers, records, books and papers of **Minal Engineering 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, 2008. 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 Six (6) times on 01/06/2007, 29/06/2007, 30/07/2007, 30/10/2007, 21/12/2007 & 31/01/2008 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 Sept., 2007 to 29th September, 2007 (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, 2007 was held on 29/09/2007 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. Two Extraordinary General Meetings were duly held on 30/06/2007 & 21/01/2008 respectively.
 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 applicable.
 12. The Board of Directors has approved the issue of duplicate shares certificates.
 13. The Company has :
 - (i) Not allotted any shares 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 constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have 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 provisions of the Act and the rules made there under.
 19. The company has not allotted any securities during the financial year under review.
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20. The company has not bought back any shares during the financial year ending 31st March, 2008.
21. The company has not redeemed preference shares/debentures 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 provisions 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, 2008.
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.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association.
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, 2008. 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: 28/06/08

Minal Mehta
M. Mehta & Co.
(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, 2007.

Sr. No	Form No.	Filed under Section	Date of Document	For
1	Annual Return	159	29/09/2007	Annual Return
2	B/S & CC	220	31/03/2007	Balance Sheet & Compliance Certificate

AUDITOR'S REPORT TO THE MEMBERS OF MINAL ENGINEERING LIMITED.

We have audited the attached Balance Sheet of **MINAL ENGINEERING LIMITED**, as at 31st March, 2008 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date both 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.

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.

- 1) 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, and on the basis of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we give in the Annexure 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 IN PARAGRAPH 1 ABOVE, WE REPORT THAT:**
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) On the basis of written representations received from the Directors as on 31/03/2008 and taken on records by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - e) In our opinion, subject to non compliance with the specified accounting standard relating to:-
 - i) **Non provision for diminution in value of investment as required by Accounting Standard 13 "Accounting for Investments" (See Note No. - 4).**
 - ii) **Non Provision for leave encashment and Gratuity Liabilities payable upon retirement as required by accounting standard 15 Employees' benefit (See Note No. - 5).**
the Profit and Loss Account, Balance Sheet and Cash Flow Statement dealt with by this report comply with the other accounting standards as referred to in the Section 211(3C) 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 No. - 4).**
 - ii) **In respect of non determination and non provision of gratuity liability and of liability towards leave encashment upon retirement (See Note No. - 5).**
 - iii) **In respect of Jewellery Division, The Company has not maintained quantitative records of all the items in which the Company is dealing. Accordingly for the purpose of annual account, the inventory of opening stock and closing stock as taken, valued and certified by director is relied upon.**
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 31st March, 2008 and;
- b) in the case of the Profit and Loss Account of the Loss 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 CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
Chartered Accountants

PLACE : BARODA.
DATE : 28/06/2008.

(H.B. SHAH)
PARTNER

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF MINAL ENGINEERING LIMITED, BARODA ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008.**(REFER TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE)**

- 1 a) As informed to us the work of compiling fixed assets register showing full particulars including quantitative details and situation of Fixed Assets is in progress.
 - b) The fixed assets of the Company have been physically verified by the management at reasonable intervals during the year which, in our opinion is reasonable having regard to size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.
 - c) No disposal of a substantial part of fixed assets of the Company has taken place during the year.
 - 2 a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year.
 - b) In our opinion and 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) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories (**Except Jewellery Division**) and the discrepancies noticed on such physical verification between physical stock and the book records were not material and have been adequately dealt with in the books of account.
 - 3) According to information and explanations given to us, the Company has not granted or taken any loan secured or unsecured to or from the Companies, firms or other parties covered in the register maintained Under Section 301 of the Companies Act, 1956.
Accordingly paragraphs 4(iii) (a), (b), (c), (d), (e), (f) and (g) of the orders are not applicable.
 - 4) (a) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services.
 - (b) During the course of our audit, no major weaknesses has been noticed in the internal control system in respect of these areas.
 5. a) To the best of our knowledge and belief, and according to information and explanation given to us, the transaction that needed to be entered in to the register in pursuance of Section 301 of the Companies Act, 1956, have been so entered.
 - b) There is no transaction of purchase of goods and material and sale of goods, material and services, made in pursuance of contracts or arrangements entered in the Register maintained Under Section 301 of the Companies Act, 1956, exceeding value of Rs. 5,00,000/- in respect of any party during the year.
 - 6) Company has not accepted any deposits to which the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder would apply.
 - 7) The Company does not have an internal audit system.
 - 8) The Central Government has not prescribed maintenance of cost records Under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
 - 9 a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities
 - b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2008, for a period of more than six months from the day they become payable.
 - c) According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
-

- 10) The Company has no accumulated losses and has incurred cash losses during the current financial year but not incurred cash losses in the immediately preceding the financial year.
- 11) The Company has not defaulted in repayment of dues to any financial institution or Banks.
- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- 13) The provisions of any Special Statue applicable to Chit Funds, Nidhis or Mutual Benefit Funds/Societies are not applicable to the Company.
- 14) The Company is not dealing in or trading in shares, securities, debentures, or other investments and hence, requirement of paragraph 4(xiv) are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from the Banks and Financial Institutions.
- 16) The Company has not taken any Terms Loans during the year.
- 17) According to the Cash Flow Statement and other records examined by us and on the basis of information and explanation given to us, on an overall basis, funds raised on Short Term basis have, prima facie, not being used during the year for Long Term investment and vise versa.
- 18) During the year, the Company has not issued and allotted any shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- 19) Since the Company does not have any debentures, the question of creation of securities for debentures does not arise.
- 20) Since the Company has not raised money by Public Issue, this clause is not applicable.
- 21) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
Chartered Accountants

PLACE : BARODA.
DATE : 28/06/2008.

(H.B. SHAH)
PARTNER

BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS		AS AT 31/3/2008		AS AT 31/3/2007
<u>SOURCES OF FUNDS</u>				
<u>SHARE HOLDER'S FUNDS</u>				
Share Capital	1	71,253,800		71,253,800
Reserves & Surplus	2	22,231,164		31,347,876
			93,484,964	
<u>LOAN FUNDS</u>				
Secured Loans	3	5,085,045		238,107
Deferred Tax Liability		495,885		425,389
Total Rupees			99,065,894	103,265,172
<u>APPLICATION OF FUNDS</u>				
<u>FIXED ASSETS</u>				
Gross Block	4	24,359,558		21,966,009
Less: Depreciation		7,205,147		6,326,687
NET BLOCK			17,154,411	15,639,322
<u>INVESTMENT</u>				
	5		14,817,514	29,393,069
<u>CURRENT ASSETS, LOANS & ADVANCES</u>				
a) Inventories	6	15,118,640		12,928,988
b) Sundry Debtors		586,473		647,718
c) Cash and Bank Balances		34,649,314		47,283,913
d) Loans and Advances		17,633,081		5,714,698
		67,987,508		66,575,317
<u>LESS: CURRENT LIABILITIES & PROVISIONS</u>				
a) CURRENT LIABILITIES	7	1,015,078		1,001,355
b) PROVISIONS		46,461		7,593,181
		1,061,539		8,594,536
NET CURRENT ASSETS			66,925,969	57,980,781
DIFF. IN INTERNAL ACCOUNT				
<u>MISCELLANEOUS EXPENDITURE</u>				
(To the extent not written off or adjusted)				
Preliminary Expenses	8		168,000	252,000
Accounting Policies and Notes thereon				
Forming Part of the Accounts	H			
Total Rupees			99,065,894	103,265,172

As Per Our Report of Even Date
FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
 Chartered Accountants

(H. B. SHAH) PARTNER

PLACE: VADODARA
 DATE: 28/06/2008

For & on behalf of the Board

J. B. PARIKH **VIKRAM PARIKH**
 Chairman Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

Particulars	Schedule No.	FOR THE YEAR ENDED 31/03/2008		FOR THE YEAR ENDED 31/03/2007
<u>INCOME</u>				
Sales/Jobwork Income	A		11,067,002	4,452,776
Share in Loss from Partnership Firm			(5,669,257)	19,642,827
Other Income	B		3,787,362	2,194,808
TOTAL INCOME			9,185,107	26,290,411
<u>EXPENDITURE</u>				
Raw Material Consumed & Purchase for trading	C	4,878,203		12,471,905
Manufacturing Expenses	D	435,914		659,285
Payments to & Provision for Employees	E	911,623		909,459
Administrative, Selling & Other Expenses	F	12,948,007		1,109,567
Interest & Finance Charges		245,445		75,785
Depreciation		878,460		446,251
Change in Stock	G	(2,204,689)		(11,162,785)
Preliminary Expenses Written Off		84,000		136,473
TOTAL EXPENDITURE			18,176,963	4,645,940
PROFIT BEFORE TAXATION			(8,991,856)	21,644,471
LESS: PROVISION FOR TAXATION			0	700,000
DEFERRED TAX		70,496		(82,211)
FRINGE BENEFIT TAX		54,360		31,961
INCOME TAX OF EARLIER YEAR		0		(2,093)
			124,856	647,657
PROFIT AFTER TAXATION			(9,116,712)	20,996,814
BALANCE BROUGHT FORWARD FROM THE PREVIOUS YEAR			12,035,582	0
AMOUNT AVAILABLE FOR APPROPRIATION			2,918,870	3,491,125
<u>APPROPRIATION</u>				
a) Proposed Dividend			0	6,370,080
b) Tax on Proposed Dividend			0	1,082,277
c) Amount Transferred to General Reserve			0	5,000,000
d) Balance Carried to Balance Sheet			2,918,870	12,035,582
			2,918,870	24,487,939
Earning Per Share			(1.43)	6.78
Accounting Policies and Notes Forming Part of the Accounts	H			

As Per Our Report of Even Date
FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
 Chartered Accountants

(H. B. SHAH) PARTNER

PLACE: VADODARA
 DATE: 28/06/2008

For & on behalf of the Board

J. B. PARIKH **VIKRAM PARIKH**
 Chairman Director

GROUPING OF CONSOLIDATED BALANCE SHEET

PARTICULARS	As At 31/03/2008	As At 31/03/2007
SCHEDULE: 1		
SHARE CAPITAL		
AUTHORISED		
10000000 (Previous Year 10000000) Equity Shares of Rs. 10/- each.	100,000,000	100,000,000
ISSUED, SUBSCRIBED AND PAID UP		
6370080 (Previous Year 1327100) Equity Shares of Rs. 10/- each Fully Paid-up.	63,700,800	63,700,800
(Of the total Equity Shares, 5325130 Equity Shares were issued as fully paid Bonus Shares by Capitalising Rs. 52029800/- from General Reserve and Rs. 1221500/- from revaluation Reserve)		
(Of the total Bonus Shares, 50,42,980 Equity Shares of Rs. 10/- each were issued as fully paid up Bonus Shares by capitalising Rs. 5,04,29,800/- from General Reserve during the year)		
FORFEITED SHARES		
Amount Originally Paid-up on Forfeited Shares	7,553,000	7,553,000
TOTAL	71,253,800	71,253,800
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
	480,231	480,231
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	63,822,170
Less : Issue of bonus shares during the year	0	50,429,800
TOTAL	18,392,370	13,392,370
Add : Transferred from Profit & Loss A/c	0	5,000,000
	18,392,370	18,392,370
PROFIT & LOSS ACCOUNT		
As Per the Annexed Account	2,918,870	12,035,582
TOTAL	22,231,164	31,347,876
SCHEDULE: 3		
SECURED LOAN		
A) From Corporation Bank	85,045	238,107
(Secured Against Fixed Deposits of the Company)		
B) From Bank of India	5,000,000	
(Secured Against Fixed Deposits of the Company)		
TOTAL	5,085,045	238,107

SCHEDULE: 4 FIXED ASSETS

SR. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		BALANCE AS AT 01/04/2007	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	TOTAL AS AT 31/03/2008	BALANCE AS AT 01/04/2007	DEPRECIATION FOR THE YEAR	DEDUCTION DURING THE YEAR	BALANCE AT 31/03/2008	BALANCE AT 31/03/2008	BALANCE AT 31/03/2007
1	LEASEHOLD LAND	543235	0	0	543235	0	0	0	0	543235	543235
2	FACTORY BUILDING	921244	0	0	921244	377195	30770	0	407965	513279	544049
3	OFFICE PREMISES	10812700	0	0	10812700	124110	176247	0	300357	10512343	10688590
4	PLANT & MACHINERY	5246152	0	0	5246152	4481932	249192	0	4731124	515028	764220
5	ELE FITTINGS	303959	535,893	839852	2316	30967	0	33283	806569	301643	
6	OFFICE EQUIPMENTS	118578	0	0	118578	38506	5632	0	44138	74440	80072
7	COMPUTERS	371587	19128	0	390715	223550	61920	0	285470	105245	148037
8	FURNITURE & FIXTURES	1373010	1838528	0	3211538	90199	107556	0	197755	3013783	1282811
9	VEHICLES	2275544	0	0	2275544	988879	216176	0	1205055	1070489	1286665
	TOTAL	21966009	2393549	0	24359558	6326687	878460	0	7205147	17154411	15639322
	PREVIOUS YEAR	9832944	12133065	21966009	5880436	446251	0	6326687	15639322	3952508	

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 Revaluation Reserve.

PARTICULARS	As At 31/03/2008		As At 31/03/2007	
SCHEDULE: 5				
INVESTMENTS				
LONG TERM, NON TRADE				
A) QUOTED				
FULLY PAID SHARES				
11000 (Previous Year 11,000) 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) UN QUOTED				
1 Share in Sterling Centre Premises Owners Co-op. Society Ltd., of Rs. 500/- each.		500		500
C) INVESTMENT IN PARTNERSHIP FIRM				
By Way of Capital in C. Mahendra InfoJewels		14,464,014		29,039,569
TOTAL		14,817,514		29,393,069
Market Value of Quoted Shares Rs. NIL (P.Y. Rs. NIL)				
SCHEDULE: 6				
CURRENT ASSETS, LOANS & ADVANCES				
CURRENT ASSETS				
INVENTORIES				
(As Taken, Valued & Certified by a Director)				
Raw Materials	0		15,037	
Work-in-process	1,193,569		1,193,720	
Finished Goods	13,925,071	15,118,640	11,720,231	12,928,988
SUNDRY DEBTORS				
(Unsecure, Considered Good)				
Exceeding Six Months	0		0	
Others	586,473	586,473	647,718	647,718
CASH & BANK BALANCES				
Cash on Hand	2,244,114		1,112,170	
Balance with Schedule Banks:				
In Current Accounts	3,218,446		2,394,163	
In Fixed Deposit Accounts	29,186,754	34,649,314	43,777,580	47,283,913
LOAN & ADVANCES				
Advances recoverable in cash or in kind or for value to be received.			392,198	
Advance Income Tax (Net of Provision)	781,008		0	
Deposits	16,852,073	17,633,081	5,322,500	5,714,698
TOTAL		67,987,508		66,575,317

PARTICULARS	As At 31/03/2008		As At 31/03/2007	
SCHEDULE: 7				
<u>CURRENT LIABILITIES & PROVISIONS</u>				
a) CURRENT LIABILITIES				
Sundry Creditors	776,902		886,602	
Other Liabilities	238,176	114,753	1,001,355	1,015,078
b) PROVISIONS				
Proposed Dividend	0		6,370,080	
Tax on Proposed Dividend	0		1,082,277	
For Taxation (Net of TDS)	0		114,482	
Fringe Benefit Tax	46,461	46,461	26,342	7,593,181
TOTAL		1,061,539		8,594,536
SCHEDULE: 8				
<u>MISCELLANEOUS EXPENDITURE</u>				
<i>(To the extent not written off or adjusted)</i>				
<u>Preliminary Expenses</u>				
Balance as per last year	252,000		336,000	
Incurred during the year	0		52,473	
TOTAL	252,000		388,473	
Less: Written-off During the Year	84,000	168,000	136,473	252,000
TOTAL		252,000		252,000

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT

PARTICULARS	For the year ended 31/03/2008		For the year ended 31/03/2007	
SCHEDULE: A				
<u>SALES/JOBWORK</u>				
Manufacturing Sales		304,700		203,418
Export Sales		0		94,000
Sales of Silver / Gold Jewellery		9,888,077		2,940,051
Bullion Sale		0		0
Jobwork Income (Tax Deducted Rs.17529/- P.Y. Rs.25465)		874,225		1,215,307
TOTAL		11,067,002		4,452,776
SCHEDULE: B				
<u>OTHER INCOME</u>				
Rent		48,000		48,000
Discount		11,555		0
Interest on Income-tax Refund		9,259		13,163
Interest Received (Tax Deducted Rs.728117/-, P.Y. Rs.446164/-)		3,539,359		1,988,272
Dividend Received		220		0
Foreign Exchange Gain		167,845		144,273
MIS Income		11,124		1,100
TOTAL		3,787,362		2,194,808
SCHEDULE: C				
<u>RAW MATERIAL CONSUMED & PURCHASE FOR TRADING</u>				
<u>PURCHASE FOR TRADING</u>				
BULLION		0		0
PURCHASES OF SILVER / GOLD JEWELLERY		4,853,248		12,356,299
<u>RAW MATERIAL CONSUMED</u>				
Opening Stock		15,037		5,906
Add: Purchase		9,918		124,737
		24,955		130,643
Less: Closing Stock		0		15,037
TOTAL		4,878,203		12,471,905

PARTICULARS	For the year ended 31/03/2008		For the year ended 31/03/2007	
SCHEDULE: D				
<u>MANUFACTURING EXPENSES</u>				
Labour Charges		46,514		36,086
Power & Fuel		201,172		308,585
Freight, Octroi Charges		3,030		59,194
Packing Material		48,705		32,293
Service Charges		0		77,821
Consumable & General Stores		136,493		145,306
TOTAL		435,914		659,285
MINAL ENGINEERING LIMITED				
SCHEDULE: E				
<u>PAYMENT TO & PROVISION FOR EMPLOYEES</u>				
Salary, Wages & Other Allowances		604,691		629,617
Directors Remuneration		81,000		81,000
Contribution to ESI		17,865		19,710
Staff welfare Expenses		176,931		99,457
Gratuity		31,136		79,675
TOTAL		911,623		909,459
SCHEDULE: F				
<u>ADMINISTRATIVE, SELLING & OTHER EXPENSES</u>				
Printing & Stationery		344,932		82,434
Postage & Telephone Expenses		111,309		48,370
Travelling & Conveyance (Including Director's Travelling Rs: 26036) (Previous Year Rs. 89490)		249,327		188,214
Electrical expenses (Bombay Shops)		328,716		
Rent, Rates & Taxes		9,897,459		68,771
<u>Auditors' Remuneration</u>				
Audit Fees	41,545		40,560	
Taxation Matter	4,000		8,060	
Others	20,814	66,359	8,420	57,040
Professional & Legal Fees		95,404		166,243
Advertisement Expenses		36,227		29,741
Speculation loss		109,920		22,644
<u>Repairs & Maintenance:-</u>				
Building	0		18,411	
Plant & Machinery	100,088		79,811	
Computer	48,062			
Others	105,196	253,346	10,954	109,176
Sales Promotion Expenses & Exhibition Expenses		1,008,952		
Export Expenses		0		10,024
Professional Tax		1,000		1,000

PARTICULARS	For the year ended 31/03/2008		For the year ended 31/03/2007	
<i>Insurance Premium</i>		100,190		57,294
<i>Miscellaneous Expenses</i>		180,297		43,779
<i>Security Charges</i>		65,735		98,340
<i>Donation</i>		0		2,000
<i>Listing Fees</i>		56,472		53,850
<i>Discount</i>		1,994		62,031
<i>Bad debts Written Off</i>		39,218		0
<i>Frieght Outward</i>		1,150		8,616
TOTAL		12,948,007		1,109,567
SCHEDULE: G				
CHANGE IN STOCK				
<i>Closing Stock of finished goods</i>	13,925,071		11,720,231	
<i>Closing Stock of Work-in-progress</i>	1,193,569		1,193,720	
		15,118,640		12,913,951
<i>Less: Opening Stock of finished goods</i>	11,720,231		883,500	
<i>Opening Stock of Work-in-progress</i>	1,193,720	12,913,951	867,666	1,751,166
TOTAL		(2,204,689)		(11,162,785)

SCHEDULE: H SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008.

1) SIGNIFICANT ACCOUNTING POLICIES.

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 where otherwise stated.

REVENUE RECOGNITION:

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

FIXED ASSETS

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

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

DEPRECIATION

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

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.

INVENTORIES

Inventories are stated at the lower of cost or net realisable 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.

RETIREMENT BENEFITS

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

FOREIGN CURRENCY TRANSACTIONS

All transactions in foreign currency are recorded by applying the exchange rate prevailing at the time of the transaction.

Gains or losses upon settlement of the transaction during the year is recognised in the Profit and Loss Account except those related to acquisition of fixed assets which are adjusted to the cost of fixed assets.

Foreign Currency Transactions remaining unsettled at the end of the year are translated at the year-end rate.

Gains or Losses arising as a result of above are adjusted in the Profit and Loss Account except relating to the loan liability for acquisition of Fixed Assets which is adjusted to the cost of the Fixed Assets.

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.

DEFERRED TAX

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.

IMPAIRMENT OF FIXED ASSETS:

Where there is an indication that if any Asset is Impaired, the recoverable amount, if any is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount.

- 2) 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 and resultant paid-up value of Rs. 75,53,000/- of such shares have been shown alongwith the paid-up capital of the Company.
- 3) Depreciation for the year includes Rs. 49,512/- (Previous Year 49,512/-) being depreciation charged on the additions on revaluation made to Plant and Machinery during financial year ended on 31st March, 1993.
- 4) 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, 2008. No provision against the same has been considered necessary since in the opinion of management such diminution is of temporary nature.
- 5) a) Total present liability for future payment of gratuity as on 31st March, 2008 is neither provided nor actuarially determined. This liabilities will be dealt with on cash basis.
- b) Leave encashment liability, if any, has not been determined, presently, and would be charged when paid.

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	11.78	—	—	11.78
	ii) Traded	(15.12)	(--)	(--)	(15.12)
	b) Unallocated corporate Income				
	Share in Profit /			-56.69	-56.69
	Loss Partnership Firm			(196.43)	(196.43)
	Total Revenue	11.78	98.88	-56.69	53.97
		(15.12)	(29.40)	(278.93)	(240.95)

Sr No.	Particulars	Engineering Division (Rs.)	Jewellery Division (Rs.)	Other (Rs.)	Total (Rs.)
2	Segment Result				
	Profit before Interest, Tax & Depreciation	-9.72	-12.80	-91.01	-116.56
		-9.56	(12.84)	(196.43)	(199.71)
	Less: Depreciation				8.78
					(4.46)
	Add.: Interest Received				37.87
					(21.95)
	Less: Interest Paid				2.45
					(0.76)
	Less: Provision for Taxation				1.24
					(6.47)
	Net Profit / Loss				-91.16
					(209.96)
3	Other Information				
	Segment Assets	508.20	320.97	148.17	977.34
		(508.08)	(144.70)	(293.93)	(946.71)
	Segment Liabilities	8.20	103.11	-	111.31
		(84.37)	(8.20)	-	(92.57)
	Capital Expenditure	-	23.93	-	23.93
		(104.08)	(17.25)	-	(121.33)
	Depreciation	3.88	4.90		8.78
		(4.30)	(0.16)		(4.46)

- 7) 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	31/03/2008	31/03/2007
Depreciation	4.95	4.25
Net Deferred Tax Liability	(0.70)	(0.82)

8) **TRANSACTIONS WITH RELATED PARTY**

Related Party	Description of Nature of Transactions	Transactions during the year 2007/2008	Outstanding Balance as on 31/03/2008	Transactions during the year 2006/2007	Outstanding Balance as on 31/03/2007
With Directors					
Shri S.J.Parikh	Remuneration	81,000	-	81,000	-
With Associates					
1) C. Mahendra Info Jewels	Sales/ Jobwork Purchases	50,579 30,243	Cr. 50,579	1,05,040	26,832 0
2) Minal Electrical & Engineering	i) Rent Received ii) Jobwork/ Sales	48,000 3,04,235	Dr. 48,000 Dr. 19,700	48,000 38,070	- -
3) Minal Plastic Products	i) Rent Paid	36,000	Dr. 27,500	24,000	Dr. 26,500

- 9) The Company is a Partner in the firm where in the share in profit of each partner, the total capital of all the partners as on 31st March, 2008 are stated as under :

A	NAME OF THE FIRM	C. Mahendra infojewels
B	PARTNERS	SHARE OF PROFIT/LOSS
	1. SHRI MAHENDRA C. SHAH	2.87%
	2. SHRI CHAMPAK K. MEHTA	2.15%
	3. SHRI SHRIKANT J. PARIKH	10.00%
	4. SHRI PARS C. MEHTA	1.00%
	5. SHRI SAMIR P. SHAH	0.94%
	6. SHRI SURESH K. MEHTA	0.75%
	7. SHRI SANDEEP M. SHAH	1.00%
	8. C. MAHENDRA JEWELS PRIVATE LTD.	5.00%
	9. C. MAHENDRA INTERNATIONAL LTD.	51.00%
	10. MINAL ENGINEERING LTD.	18.50%
	11. SHRI PRAVIN C. SHAH	1.00%
	12. SHRI KANU C. SHAH	1.94%
	13. SHRI PRAVIN K. MEHTA	1.55%
	14. SHRI PRAKASH K. MEHTA	2.30%
		100%
C	TOTAL CAPITAL OF THE PARTNERS	RS. 76,89,64,248

10) EARNING PER SHARE

Earning per share (EPS) is calculated in accordance with Accounting Standard – 20 (AS20) as under

	2007-08	2006-07
Net Profit / (Loss) after taxation (Rs.)	(91,16,712)	2,09,96,814
Weighted average of Equity Shares (Nos)	63,70,080	30,95,597
Nominal Value of Equity Share (Rs.)	10	10
EPS (Rs.)	(1.43)	6.78

- 11) Sundry Debtors includes Rs.95,200/- being amount due from the firm in which Directors are interested (Maximum Outstanding during the year Rs.7,36,881/-)(Previous Year Rs. 3,15,366/-)
- 12) 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.
In the absence of necessary information with the company relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be complied and disclosed.
- 13) 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.
- 14) Previous year figures are regrouped, re-arranged and recast wherever felt necessary so as to make them comparable with that of current year.
- 15) 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)

	2007/2008	2006/2007
A Licenced Capacity	N.A.	N.A.
Installed Capacity	N.A.	N.A.
ACTUAL PRODUCTION		
a) Braille Typewriters	Nil	08
b) Parts	11	515

i) STOCK OF MANUFACTURED FINISHED GOODS AND TURNOVER

(Rs. In Lac)

Particulars	Opening Stock		Closing Stock		Sales	
	Qty	Value	Qty	Value	Qty	Value
Braille Typewriter	103	7.67	71	5.42	32	2.93
	(114)	(8.83)	(103)	(7.67)	(19)	(1.94)
Metal Parts	NIL	NIL	NIL	NIL	11	0.11
	(NIL)	(NIL)	(NIL)	(NIL)	(515)	(1.03)
Job-Work						8.74
						(12.15)
						11.78
						(15.12)

ii) GOODS FOR RESALE / TRADING

(Rs. In Lac)

	Opening Stock		Purchase		Closing Stock		Sales	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Jewellery Items	17324	109.52	26355	48.53	37887	133.82	5792	98.88
	(NIL)	(NIL)	(18756)	(123.56)	(17324)	(109.52)	(1426)	(29.40)
								98.88

Figures in brackets pertains to previous year.

RAW MATERIALS CONSUMED.

	Unit	2007/2008		2006/2007	
		Qty	Rs.	Qty	Rs.
EDM Wire	Nos.	09	0.14	24	0.37
Castings Component		—	—	—	—
Metal Parts		11	0.11	—	0.54
Others		—	—	—	0.24
			0.25		1.15

DETAILS OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

	2007/2008		2006/2007	
	Rs.	%	Rs.	%

a) RAW MATERIALS

Imported	NIL	NIL	NIL	NIL
Indigenous	0.25	100.00	1.15	100.00
TOTAL RS.	0.25	100.00	1.15	100.00

b) STORES AND SPARES

Imported	NIL	NIL	NIL	NIL
Indigenous	1.36	100.00	1.45	100.00
TOTAL RS.	1.36	100.00	1.45	100.00

E) CIF Value of Imports Rs.45,40,028 Rs. 1,06,85,258

F) Expenditure in Foreign Currency NIL NIL

G) Earning in Foreign Currency NIL NIL

As Per Our Report of Even Date
FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.

Chartered Accountants

For & on behalf of the Board

(H. B. SHAH) PARTNER
J. B. PARIKH
 Chairman

VIKRAM PARIKH
 Director

PLACE: VADODARA

DATE: 28/06/2008

MINAL ENGINEERING LIMITED
CASH FLOW STATEMENT

	2007-2008	2006-2007
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra-ordinary items	(8,991,856)	21,644,471
Depreciation	878,460	446,251
Bad debts	39,218	-
Dividend received	(220)	-
Interest Paid & other charges	245,445	75,785
Interest Received	(3,539,359)	(1,988,272)
Operating profit before working capital changes	(11,368,312)	20,178,235
Adjustment for :		
Inventories	(2,189,652)	(11,171,916)
Trade & Other Receivables	(11,262,519)	(5,452,803)
Trade Payable	(26,967)	692,015
	(13,479,138)	(15,932,704)
Cash Generated from Operations	(24,847,450)	4,245,531
Less : Income Tax Paid	748,319	469,536
Less : Fringe Benefit Tax paid	34,241	32,000
<u>Extra Ordinary Items</u>		
Preliminary Expenses	84,000	84,000
Net Cash Used in Operating Activities	(25,546,010)	3,827,995
ASH FLOW FROM INVESTING ACTIVITIES		
Acquisitions of Fixed Assets	(2,393,549)	(12,133,065)
Investment in Partnership Firm	14,575,555	52,457,173
Dividend Received	3,539,359	1,988,272
Dividend received	220	-
Net Cash From Investing Activities	15,721,585	42,312,380
B) CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings	4,846,938	238,107
Interest Paid	(245,445)	(75,785)
Dividend Paid (including tax thereon)	(7,411,667)	(3,012,644)
Net Cash Used in Financing Activities	(2,810,174)	(2,850,322)
Net Increase in Cash and Cash Equivalents	(12,634,599)	43,290,053
Cash and Cash Equivalents at the beginning of the year	47,283,913	3,993,860
Cash and Cash Equivalent at the end of the year	34,649,314	47,283,913

AS PER OUR REPORT OF EVEN DATE
FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
Chartered Accountants

FOR MINAL ENGINEERING LIMITED.

(H.B. SHAH) PARTNER

Place : Baroda
Date : 28/06/2008

J. B. PARIKH VIKRAM PARIKH
Chairman Director

CASH FLOW STATEMENT

	2007-2008	2006-2007
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra-ordinary items	(8991856)	21,644,471
Depreciation	878,460	446,251
Dividend received	(220)	—
Interest Paid	245,445	75,785
Interest Received	(3,539,359)	(1,988,272)
Share Application Money w/off	—	—
Operating profit before working capital changes	(2,415,674)	20,178,235
Debtors	(2,189,652)	(11,171,916)
Trade & Other Receivables	(11,857,138)	(5,452,803)
Payable	692,015	692,015
	(13,354,775)	(15,932,704)
Profit Generated from Operations	(15,770,449)	4,245,531
Income Tax Paid	748,319	469,536
Provision for Pension Benefit Tax paid	—	32,000
Losses on Ordinary Items	—	—
Loss on Preliminary Expenses	84,000	84,000
Cash From Operating Activities	(16,434,768)	3,827,995
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(1,515,089)	(12,133,065)
Investment in Partnership Firm	14,575,555	52,457,173
Interest Received	3,539,359	1,988,272
Dividend received	220	—
Net Cash From Investing Activities	16,600,045	42,312,380
CASH FLOW FROM FINANCING ACTIVITIES		
Drawings	4,846,938	238,107
Interest Paid	(245,445)	(75,785)
Dividend Paid	—	(2,640,392)
Loss on Dividend	—	(372,252)
Cash From Financing Activities	4,601,493	(2,850,322)
Increase in Cash and Cash Equivalents	21,201,538	43,290,053
Net Cash Equivalents at the beginning of the year	47,283,913	3,993,860
Net Cash Equivalent at the end of the year	68,485,451	47,283,913

Our Report of Even Date**SHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.**

Chartered Accountants

(SHAH) PARTNER

For & on behalf of the Board

J. B. PARIKH

Chairman

VIKRAM PARIKH

Director

OFFICE: VADODARA

DATE: 28/06/2008

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.	10259
		State Code	04
		Balance Sheet Date	31.03.2008
II	Capital raised during the year (Amount in Rs. Thousand)	Public Issue	NIL
		Right Issue	NIL
		Bonus Issue	NIL
		Private Placements	NIL
		Others	NIL
III	Position of Mobilization & Deployment of funds	Total Liabilities	100127433
		Total Assets	100127433
	Sources	Paid up Capital	63700800
		Reserves & Surplus	22231164
		Share Application Money	—
		Secured Loans	—
		Unsecured Loans	—
		Deferred Tax Liability	495885
	Applications	Net Fixed Assets	17154411
		Investments	14817514
		Net Current Assets	66925969
		Misc. Expenditure	168000
		Accumulated Losses	—
IV	Performance of the Company	Turnover	9185107
		Total Expenditure	18176963
		Profit/Loss before Tax	(8991856)
		Profit/Loss after Tax	(9116712)
		Earning per Share (Rs.)	(1.43)
		Dividend Rate (%)	0
V	Generic Names of the Principle Products of the company	Item Code	8469200120
		Product Description	BRILLE TYPEWRITER

FORM OF PROXY

Minal Engineering Limited

214/A, Paradise Complex, Sayajigunj, Baroda- 390 005

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 him of in the district of
as my/our proxy to vote for me/us on my/our behalf at Twentieth annual general meeting of the company to be held on the
30th day of September, 2008 and at any adjournment thereof.

Signed this day of 20

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

Minal Engineering Limited

214/A, Paradise Complex, Sayajigunj, Baroda- 390 005

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 nineteenth annual
general meeting of the company to be held on the 30th day of September, 2008 and at any adjournment thereof.

Signed this day of 20"

[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

To,

FROM



MINAL ENGINEERING LIMITED

214/A, Paradise Complex, Sayajigunj, Baroda - 390 005