

30th
Annual Report
2012 - 2013

MIHIKA INDUSTRIES LIMITED

Board of Directors : Kuldeep Kumar Sethia
Chairman and Executive Director

Mali Chand Agarwala
Independent Non-Executive Director

Kamal Kumar Goyal
Independent Non-Executive Director

Yashwant Kumar Goyal
Independent Non-Executive Director

Board Committees : **Audit Committee** :

Mali Chand Agarwala
 Kuldeep Kumar Sethia
 Yashwant Kumar Goyal

Shareholders/Investors Grievances Committee :

Kuldeep Kumar Sethia
 Mali Chand Agarwala
 Yashwant Kumar Goyal

Auditors : **M/s. J. Gupta & Co.**
Chartered Accountants, Kolkata

Bankers : Indusind Bank Ltd.
 HDFC Bank Ltd.

Registered Office : 3, Bentinck Street, 2nd Floor
 Kolkata - 700 001
 Telephone : (033) 6536 6663
 Fax : (033) 2210 0875

E-mail address for investors : mihikaindustries@gmail.com

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NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of Mihika Industries Limited, will be held at the Registered Office of the Company at 3, Bentinck Street, 2nd Floor, Kolkata-700001 at 1.00 p.m. on Monday, the 30th September, 2013 to transact the following business :-

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date together with Auditors' Report thereon & Directors' Report.
2. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration .The retiring Auditors J. Gupta & Co. Chartered Accountants offers themselves for re-appointment.

By order of the Board

Place: Kolkata

Dated: 30th day of May, 2013

KULDEEP KUMAR SETHIA

Chairman and Executive 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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a Proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time of holding the meeting. Proxies submitted on behalf of Limited Companies, Body Corporate, Societies etc. must be supported by appropriate resolution/authority, as applicable. Blank Proxy form is attached.
3. Corporate members intending to send their Authorized Representative to attend and vote at the meeting are requested to ensure that the Authorized Representative carries a duly certified true copy of the board resolution, Power of Attorney or such other valid authorization, authorizing him to attend and vote at the meeting and any one of the photo identity proofs viz., Driving License, PAN Card, EPIC Card, Passport etc.

Specimen Resolution for the purpose is as under :

“RESOLVED THAT pursuant to the provisions of section 187 and all other applicable provisions, if any, of the Companies Act 1956, Mr.....or failing him Mr..... be and is hereby authorized to act as the representative of (name of corporate member) to attend the 30th Annual General Meeting of Mihika Industries Ltd. to be held on 30th September 2013 at 3, Bentinck Street, 2nd floor, Kolkata-700001 at 1.00 P.M. or at any adjournment thereof, for and on behalf of the company as its representative.

The aforesaid Resolution shall preferably be signed by such Director/ Authorized Signatory of the Corporate Member whose specimen signature has been lodged with the Company.

4. Register of Members of the Company will remain closed from 25.09.2013 to 30.09.2013(both days inclusive).
5. The Company's Shares are listed on the following Stock Exchange :

U.P. Stock Exchange Ltd.

Padam Towers,

14/113, Civil Lines, Kanpur – 208 001

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 30th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL PERFORMANCE

(Amount in ₹)

	31st March 2013	31st March 2012
Profit before tax	15297	13685
Less: Tax Expense	4730	2838
Profit after tax	10567	10847
Add: Balance brought forward from previous year	170140	159293
Balance available for appropriation	180707	170140
Balance carried to Balance Sheet	180707	170140

DIVIDEND

With a view to conserve resources for growth of company, no dividend is recommended by the Board for the year ended 31st March, 2013.

ALLOTMENT OF EQUITY SHARES ON PREFERENTIAL BASIS

Your Directors are pleased to inform you that during the year under review 9759930 equity shares of Rs.10/- each per share at a premium of Rs.15/- each per share were issued on preferential basis to Promoter group and select Non Promoter investors. These equity shares were allotted in compliance with SEBI (ICDR) Regulation, 2009 and after receipt of requisite approvals. Post issue, final listing approval has been received from the U. P. Stock Exchange Ltd. Further the total issue proceeds of Rs.24.40 crores were dully utilized as per the object of the issue.

PUBLIC DEPOSITS

The Company has neither invited nor accepted/renewed any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 . There are no unclaimed deposits, unclaimed/unpaid interest, refunds due to the deposit holders or to be deposited in the Investor Education and Protection Fund, as on 31st March, 2013.

DIRECTORS

Pursuant to the provisions of section 256 of the Companies Act, 1956 Mr. Kamal Kumar Goyal, director of the Company, retires by rotation at the forthcoming Annual General Meeting scheduled to be held on 30th September, 2013. Mr. Kamal Kumar Goyal has expressed his desire not to be re-appointed.

The Board places on record its deep appreciation of the invaluable services rendered by Mr. Kamal Kumar Goyal during his tenure as director on the Board of Directors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217 (2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief, confirm that :-

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there are no material departures there from;

- b) The Directors have selected such accounting policies as mentioned in the Notes to Financial Statements 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 as at 31st March, 2013 and of the profit of the Company for the year ended on that date.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of Company and for preventing and detecting fraud and other irregularities; and
- d) The annual accounts have been prepared on going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management discussion and analysis report for the year under review as stipulated under clause 49 of the listing agreement with the Stock Exchanges is presented, in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of ethics and governance, resulting in enhanced transparency for the benefit of all stakeholders. As per Clause 49 of the Listing Agreement with Stock Exchanges, and the requirements set out by the Securities and Exchange Board of India's Corporate Governance Practices, the Company has implemented all the mandatory stipulations. The Company has adopted a code of conduct applicable to the Board and senior management. The Company fully complies with the governance practices as enunciated in the Listing Agreement. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements (Annexure-II) forms part of this report. The requisite Certificate from the Statutory Auditors of the Company, M/s. J. Gupta & Co. Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

MATERIALS CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company, which have occurred since 31st March, 2013, being the end of the financial year of the Company.

COMPLIANCE OF ACCOUNTING STANDARDS

The Company has duly adopted all the applicable Accounting Standards in pursuance to the provision of Section 211 (3A) of the Companies Act, 1956.

AUDITORS' REPORT

The observations made in the Auditors' Report are self explanatory and do not contain any reservation, qualification or adverse remarks and, therefore, need no further clarifications/explanations as required under Section 217 (3) of the Companies Act, 1956.

AUDITORS

J. Gupta & Co., Chartered Accountants retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act. Further they also hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under revised clause 41 of listing agreement.

STATUTORY AND OTHER INFORMATION

There is no employee failing within the purview of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975.

There was no expenditure or income in foreign currency during the year under review. Since your Company does not own any manufacturing unit, the disclosure of information on the matter required to be disclosed to be terms of section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in report of Board of Directors) Rules, 1998 is not applicable and hence not given.

ACKNOWLEDGEMENTS

Your Directors would like to convey their sincere appreciation for assistance and co-operation received from the various stakeholders including financial institutions and banks, regulators, governmental authorities and other business associates, who have extended their valuable support and encouragement during the year under review. Your Directors take the opportunity to place on record their deep appreciation of the committed services rendered by the employees at all levels of the Company who have contributed significantly towards Company's performance. Your Directors also acknowledge with gratitude the encouragement and support extended by our valued shareholders.

For and on behalf of the Board

KULDEEP KUMAR SETHIA
Chairman and Executive Director

Place : Kolkata

Dated: 30th day of May, 2013

ANNEXURE-I TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

TRADE STRUCTURE AND DEVELOPMENT

The Company is trading in the textile sector. Textile is the oldest and most important trade and industry with a high employment potential. The textile trade and industry provides jobs for semi-skilled and unskilled labourers, women in particular on a large scale in the Country. Mihika Industries Ltd.(MIL) is geared up to leverage its strengths in this age-old trade.

OPPORTUNITIES AND THREATS

In the post quota regime, the Indian textile industry have got very good opportunity for increasing their export of textile products. Further the trend for value added textile products in the domestic market is also on the rise. The company wishes to expend in the area of value added products as these offer better margins.

However, fashion trends are constantly changing. The company has to keep pace with the changing fashion trends, otherwise margins may suffer significantly.

SEGMENT OR PRODUCTWISE PERFORMANCE

The Company operates primarily in one business segment viz. trading in textile goods and ancillary activities in India and accordingly this is the only Single Reportable Segment.

OUTLOOK

The Company endeavors to be an important player in the field of textile trade. There is good prospect of expanding business in this trade.

INTERNAL CONTROL SYSTEM AND THEIR ADEQYACY

The Company has proper and adequate internal control systems to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and all transactions are authorized, recorded and reported properly.

FINANCIAL AND OPERATIONAL PERFORMANCE

The financial and operational performances are separately elaborated in the Directors' Report.

DEVELOPMENT IN HUMAN RESOURCES

The Company has continued its endeavour in maintaining peace and harmony at all levels of employment in the organization in the year under review.

CAUTIONARY STATEMENT

The statements in the report may be "forward looking statements" within the meaning of applicable laws or regulations. These statements are made on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a significant difference to the Company's operations availability and prices of goods procured, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic conditions affecting demand/supplies, and other environmental factors over which the Company does not have any control.

ANNEXURE-II TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

A. Company's Philosophy on Corporate Governance

Corporate governance refers to a combination of laws, regulation, procedure, implicit rules and good corporate practices, which ensure that a company meets its obligation with the objective to optimize shareholder value and fulfill its responsibilities to the community, customers, employees, Government and other societal segments. MIHIKA INDUSTRIES LIMITED (MIL)'s philosophy is to conduct business with highest ethical standards for growth and prosperity of all stakeholder on a sustainable basis in keeping with its corporate social responsibilities. This philosophy is built on a rich legacy of fair, transparent and effective governance, and led by strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct.

The company believes that a sound governance discipline also enable the Board to direct and control the affair of the Company in an effective manner and maximize stakeholder value, including the society at large. This is an ongoing process with MIL: and we continuously endeavor to improve upon our practices in line with the changing demand of the business. MIL adopts innovative approaches for leveraging all its resources; and encourages a spirit of conversion of opportunities into achievements. Company's governance structures and system are the foundation which provides and nurtures ramping up of healthy and sustainable growth of human resources, through empowerment and motivation. In this, your Company is guided by its vision, mission and the code on Corporate Governance.

Keeping in view the company's size, reach and complexity of operation, and corporate tradition, the Corporate Governance framework is based on the following main principles:

- ▶ Strategic supervision by the Board of Directors which is made up of appropriate size, bouquets of experience, and commitment to discharge their responsibilities;
- ▶ Timely and adequate flow of information to the Board and its Committees for meaningful and focused discussion at the meetings;
- ▶ Independent verification of company's financial reporting from time to time and on quarterly basis;
- ▶ A sound system of internal controls within the Risk Management framework to mitigate perceived risk factors;
- ▶ Timely and balanced disclosure of all material information; and disclosure of all deviations, if any, to all stakeholders;
- ▶ Compliance with applicable laws, rules, regulations and guidelines;
- ▶ Transparency and defined accountability;
- ▶ Equitable and fair treatment to all the stakeholders including employees, customers vendors, shareholders and investors.

The Board of Directors play an active role in fulfilling its fiduciary obligation to shareholders by efficiently overseeing management functions to ensure their effectiveness in delivering shareholder values. The governance framework is made effective through an efficient system of timely disclosures and transparent business practices.

B. Board of Directors

The Board of Directors which is a body formed to serve and protect the overall interest of all the stakeholders, provides and evaluates the strategic direction of the company; formulates and reviews management policies and ensure their effectiveness.

(a) Constitution

The Company's Board of Directors presently comprises of four members, three of whom are Non – executive directors and one Executive Director. Cumulatively, they account for 75 percent of the Board's strength as against the minimum requirement of 50 percent as per the Listing Agreement. The Board is headed by Sri Kuldeep Kumar Sethia, Chairman and Executive Director and it has required number of Independent directors. All the directors possess the requisite qualification and experience in general corporate management, finance, banking and other allied fields enabling them to contribute effectively in their capacity as Directors of the company. All the Directors are liable to retire by rotation. The Board of Directors of the Company has appointed one of its Members as the Director-in-Charge who has the responsibility to implement and oversee all legal compliance as envisaged under section 5(f) of the Companies Act, 1956.

(b) Number of Board Meetings

During the year under review Eight Board meetings were held on 15th May 2012, 30th May 2012, 13th August 2012, 28th September 2012, 14th November 2012, 6th February 2013, 7th February 2013, 22nd February 2013,. The meetings were held as per the requirements of business; and at intervals within the legally permitted limits. The Boards meets once in every quarter, inter alia, to review the quarterly results and other items on agenda.

(c) Directors' Attendance at Board Meetings and Details of Directorship / Committee Position held

The Composition of Board of Directors, their attendance at the board meetings during the year and at the last annual general meeting (AGM) and also number of other directorship in Indian Public Companies are as follows :

Name of Directors	Attendance of last AGM	No. of Board Meeting Attended	Category of Director	Other Directorship	No. of Other Companies Board's Committee	
					Chairperson	Member
Mr. Kamal Kumar Goyal	YES	8	Non-Executive Director	NIL	NIL	NIL
Mr. Yashwant Kumar Goyal	YES	8	Non-Executive Director	NIL	NIL	NIL
Mr. Kuldeep Kumar Sethia*	YES	5	Promoter, Non-Executive Director	NIL	NIL	NIL
Mr. Mali Chand Agarwala*	YES	5	Independent Non-Executive Director	NIL	NIL	NIL

*Appointed on 28.09.2012

(d) Information to the Board

A detailed agenda folder is sent to each director in advance of the Board Meetings. As a policy, all major decisions involving investments, in addition to matters which statutorily require the approval of the Board are placed before the Board for its consideration and direction. Inter alia, the following information, as may be applicable and required, is provided to the Board as a part of the agenda paper.

- ▶ Quarterly, half yearly and annual result of the company.
- ▶ Revenue and Capital Expenditure Budgets, as applicable.
- ▶ Minutes of the Audit and other Committees of the Boards.
- ▶ Materially important legal or taxation issues.
- ▶ Status of financial obligations to and by the Company.
- ▶ Any significant development in human resources or industrial relation.
- ▶ Details of risk exposure and steps taken by management to limit or restrain the risk
- ▶ Compliance status with any regulatory, statutory or listing agreement related requirements or in relation to any shareholder services.

Board periodically reviews compliance reports of all laws applicable to the company, as well as steps taken by the Company to rectify instances of non-compliance, if any.

(e) Compliance Officer

Mr. Kuldeep Kumar Sethia, Chairman of the Board and Executive Director is the Compliance Officer of the Company.

C. Details of Remuneration paid to Executive and Non-Executive Directors

The Non-Executive Directors are entitled sitting fees for attending each Meeting of Board of Directors and Committees thereof. The Company has not paid any other remuneration to its Non-Executive Directors.

D. Committees of the Board

Pursuant to the provision of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the Board of Directors constituted various committees of the directors with adequate delegation of power to properly discharge business of the Company.

These Committees are :-

- ▶ Audit Committee
- ▶ Share Transfer/ Investor Grievance Committee

(a) Audit Committee

The Audit Committee of the Board of Directors of the Company was constituted on 10.01.2013.

Composition

The Audit Committee comprises of Non-Executive Directors and is headed by Mr. Mali Chand Agarwala, Chairman of the Committee. The other members of the Committee are Mr. Kuldeep Kumar Sethia and Mr. Yashwant Kumar Goyal.

Terms of reference of the Audit Committee comprises the following :

- ▶ Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, reliable and sufficient.
- ▶ Reviewing with the management and statutory auditors the quarterly / annual financial statements before submission to the Board, and focusing primarily on:
 - Any changes in the accounting policies and procedures.
 - Compliance with accounting standards.
 - Adequacy of the internal control system, including management information system.
 - Compliance with listing agreements with the stock exchanges and conformity with their requirements concerning financial statements.
 - Major accounting entries based on the exercise of prudential judgment by the management.
 - Any related party transactions of the company of a material nature that may cause potential conflict with the interest of the company.
- ▶ Reviewing the Company's financial and risk management policy.
- ▶ Recommending the appointment and removal of statutory and internal auditors and determination of the audit fees and also grant approval for payment for any other services.
- ▶ Reviewing the scope and adequacy of the internal audit functions and deciding upon the scope of work of the internal Auditors, discussing with internal auditors significant audit finding and follow up actions initiated thereon.

- ▶ Any other matter that may be referred to the Committee from time to time.
- ▶ The Audit Committee also reviews every quarter the Report on Corporate Governance under clause 49 of Listing Agreement.

Meetings and Attendance

During the year under review one meetings of the committee was held on 6th February, 2013. The composition of the committee and the attendance of the member at the meeting were as follows :

Name of Member	Status	No. of Meetings Attended
Mr. Mali Chand Agarwala	Chairman	1
Mr. Kuldeep Kumar Sethia	Member	1
Mr. Yashwant Kumar Goyal	Member	1

The constitution of the Audit Committee meet the requirement of Section 292A of the Companies Act, 1956. The Committee reviews various aspects of the internal audit control system and financial and risk management policies. The requirement in respect of Clause 49 of the Listing Agreement and as amended from time to time are also reviewed by the Committee. The management makes a presentation before the Audit Committee on the observation and recommendation of the Statutory and Internal Auditors to strengthen control and compliance.

(b) Share Transfer / Investors' Grievance Committee

The Share Transfer / Investors' Grievance Committee of the Board of Directors of the Company was constituted on 10/01/2013.

Composition

The Share Transfer / Investors' Grievance Committee comprise of Non-executive Directors and are headed by Mr. Kuldeep Kumar Sethia, Chairman of the Committee. The other members of the Committee are Mr. Mali Chand Agarwala and Mr. Yashwant Kumar Goyal.

Terms of Reference

The Committee oversees the redressal of shareholder and investor complaints/ requests for transfer/transmission of shares, subdivision and consolidation of share certificates, the issue of duplicate share certificates, requests for demat & remat of shares, non-receipt of the declared dividend and non-receipt of the Annual Report. It also recommends measures for improvement in investor services. The Committee meets as often as is necessary for resolution of important matters within its mandate. There were no investor complaints pending at the end of the financial year.

Meetings and Attendance

During the year under review, one meetings of the committee was held on 22nd February, 2013. The composition of the committee and the attendance of the members at the meeting were as follows :

Name of Member	Status	No. of Meetings Attended
Mr. Kuldeep Kumar Sethia	Chairman	1
Mr. Mali Chand Agarwala	Member	1
Mr. Yashwant Kumar Goyal	Member	1

Minutes of the meeting of the Share Transfer/ Investors Grievance Committee are approved by the Chairman of the Committee and are noted by the Board at its next meeting.

Investors' Complaints Received and Resolved During the Year

During the year under review the company received Nil complaints from the shareholders. The average period of redressal of grievances is nil days from the date of receipt of letters/complaints as there was no complaint. There was no unresolved complaint as on 31st March, 2013.

E. MANAGEMENT

- (a) **Management Discussion and Analysis** : The Directors' Report includes details of Management Discussion and Analysis of business of the company.
- (b) **Disclosures by the Management to the Board** : All details relating to financial and commercial transactions where Directors may have pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor do they vote on such matters.

F. DISCLOSURES

(a) Materially Significant Related Party Transactions

Details of materially significant related party transactions that are the transactions of a material nature between the company and the Promoters, Management, Directors or their relatives etc. are disclosed in the Note No. 18 (B) of the Financial Statements in compliance with the Accounting Standard relating to "Related Party Disclosures". Details of all such transactions are provided to the Board at the Board Meetings, and the interested Directors, if any, neither participate in the discussion, nor vote on such matters.

There is no materially significant Related Party Transaction that may potentially conflict with the interest of the company at large.

(b) Accounting Treatment in Preparation of Financial Statements

The company has followed the accounting standards notified by the Companies (Accounting Standards) Rule 2006 in Preparation of its financial statement.

(c) Risk Management

As required under clause 49 of the Listing Agreement, the company has established a well documented and robust risk management framework. Under this framework, risks are identified across all business process of the company on a continuous basis. Once identified, these risks are classified as strategic risks, business risk or reporting risks. Strategic risks are those which are associated with the longer term interests of the company. Reporting risks are associated with incorrect or un-timely financial and non-financial reporting.

The Audit Committee and the Board of Directors review the Risk Management Strategy of the company to ensure effectiveness of the Risk Management policy and procedures. Board of Directors of the company is regularly apprised on the key risk assessment areas and a mitigation mechanism is recommended.

During the year, the Board has reviewed the risk assessment and a risk minimization procedure commensurate to the risks has been adopted; and is in place.

(d) Corporate Ethics

As a reasonable corporate citizen, the company consciously follows corporate ethics in business and corporate interactions. Company has framed codes and policies providing guidance for carrying business in ethical manner. Some of these policies are:

Code for prevention of Insider Trading

Code of Conduct

(e) Chief Executive Officer (CEO) / Chief Financial Officer (CFO) certification

The Company is fully cognizant of the need to maintain adequate internal control to protect its assets and interest and for integrity and fairness in financial reporting and is committed to laying down and enforcing such controls of appropriate system and procedures. Towards this the CEO have certified to the Board by placing a certificate on the internal control related to the financial reporting process during the year ended 31st March, 2013.

G. Shareholders Information
(a) Means of Communication

The quarterly and annual audited financial results of the company are sent to the Stock Exchange immediately after they are approved by the Board. The results are normally published in “Echo of India” in English and “Arthik Lipi” in Bangla.

Further the company disseminates to the Stock Exchanges where the equity shares of the company are listed, all mandatory information and price sensitive / such other information which in its opinion are material and / or have a bearing on its performance/ operations and issue press releases wherever necessary for the information to the public at large. For the benefit of the shareholders an email id has been created for the shareholder correspondence viz. mihikaindustries@gmail.com.

(b) Annual General Body Meetings of the Company

Details of the last three Annual General Meetings of the company are as under :

AGM	Financial Year	Date	Time	Venue	Special Resolution/s if any Passed
29th	2011-12	September 28, 2012	11.00 A.M	Room No. 45, 2nd Floor 4A Indra Kumar Karnani Sarani, Kolkata - 700 001	None
28th	2010-11	September 30, 2011	11.00 A.M	Room No. 45, 2nd Floor 4A Inda Kumar Karnani Sarani, Kolkata - 700 001	None
27th	2009-10	August 27, 2010	11.00 A.M	Room No. 45, 2nd Floor 4A Indra Kumar Karnani Sarani, Kolkata - 700 001	None

The 30th Annual General Meeting is proposed to be held on 30th September, 2013 at 1.00 p.m. at the registered office of the Company

Postal Ballo : No resolution by way of Postal Ballot was passed during the year 2012-2013.

(c) General Shareholders' information
(a) 30th Annual General Meeting :

- | | |
|------------|------------------------------------------------------------------------------------|
| (i) Date | 30/09/2013 |
| (ii) Day | Monday |
| (iii) Time | 1.00 p.m. |
| (iv) Venue | at Registered Office :
3, Bentinck Street, 2nd Floor
Kolkata - 700001 (W.B.) |

(b) Last Date for receipt of Proxies

Saturday, 28th September, 2013 (before 1.00 p.m. at the registered office of the company)

(c) Book Closure

The register of member and share transfer book of the company shall remain closed from 25th September, 2013 to 30th September, 2013 (both days inclusive).

(d) Tentative financial calendar :

First Quarter Result & Limited Review	Mid Aug, 2013
Second Quarter Result & Limited Review	Mid Nov, 2013
Third Quarter Result & Limited Review	Mid Feb, 2014
Audited Annual Result (2013-2014)	End May,2014

(e) Listing on Stock Exchanges and stock codes :

The names of the Stock Exchange where the equity shares of the company are listed and the respective stock codes are as follows :

Name of the Stock Exchange	Scrip Code
U.P Stock Exchange Ltd.	A00015

Listing fees for the year 2013-2014 have been paid to the Stock Exchange within the stipulated time.

(f) PAN Requirement

SEBI vide its circular dated 27.04.2007 made PAN as the sole identification number for all participants transacting in the securities market, irrespective of the transaction amount. Further, SEBI vide its circular dated 20.05.2009 made it mandatory to furnish a copy of the PAN Card of the Transferee to the Company / RTA for registration of transfer of shares of the Listed Companies in physical form and off market / private transactions. Furnishing a copy of PAN card for Transmission / Transposition of shares has been made mandatory by SEBI vide its circular dated 27.01.2010.

(g) Corporate Identification Number

Corporate Identification Number of the Company allotted by the Ministry of Corporate Affairs Government of India is L70101WB1983PLC035638.

(h) Market Price Data

There has been no trading in the share of the company at Stock Exchange during the year.

(i) Distribution of Shareholding as on 31st March, 2013

Sl. No.	No. of Equity Shares	No. of Shareholding	% of total Shareholders	No. of Shares held	% of total Shares
1	1 to 500	14	7.22	4860	0.05
2	501 to 1000	12	6.18	10020	0.10
3	1001 to 2000	107	55.15	176680	1.77
4	2001 to 3000	22	11.35	48510	0.48
5	3001 to 4000	NIL	NIL	NIL	NIL
6	4001 to 5000	NIL	NIL	NIL	NIL
7	5001 to 10000	NIL	NIL	NIL	NIL
8	10001 to 50000	NIL	NIL	NIL	NIL
9	50001 to 100000	NIL	NIL	NIL	NIL
10	100001 and Above	39	20.10	9759930	97.60
	TOTAL	194	100.00	10000000	100.00

(j) Details of shareholding as on 31st March, 2013

Sl. No.	Category	No. of Shareholder	% of Shareholder	No. of Shares held	% of Share holding
1	Promoter	2	1.03	2402175	24.02
2	Financial Institutions, Banks and Mutual Funds	NIL	NIL	NIL	NIL
3	Private Corporate Bodies & Association	38	19.59	7359930	73.60
4	Indian Public	154	79.38	237895	2.38
5	FII's	NIL	NIL	NIL	NIL
6	NRI, Foreign, National and OCBs	NIL	NIL	NIL	NIL
	Total	194	100	10000000	100.00

k) Share Transfer System

Share transfer were registered and returned normally within the period stipulated in the Listing Agreement from the date of receipt if the document were clear in all respect. The Share Transfer / Investor Grievance Committee is authorized to improve the transfer of shares.

(l) Address for Shareholders' Correspondence

Shareholders are requested to correspond at the registered office the Company Office at 3, Bentinck Street, 2nd Floor, Kolkata-700001 on all matter relating to transfer, payment of dividend and any other query relating to the equity shares of the Company.

(m) Registrar and Transfer Agent

The company is in process of appointment of Registrar and Share Transfer Agent (RTA) for handling share registry.

(n) Investor Relations

In order to facilitate investor servicing, the Company has designated an e-mail id mihikaindustries@gmail.com for registering complaints by investors.

(H) Compliance**(a) Statutory Compliance, Penalties and Strictures**

The Company has continued to comply with the requirement of the stock exchange, SEBI, RBI, and other statutory authorities on all the relevant matters during the last three years. There were no cases of penalties or strictures imposed on the Company by any Stock Exchanges, SEBI, RBI, or any other statutory authorities for any violation related to the Capital market / any other related matter or relating to condition of Licensing by the RBI, during the last three year.

(b) Listing Agreement Compliance

The Company complies with all the requirement of the Listing Agreement including the mandatory requirements of the Clause 49 of the Agreement.

(c) Insider Trading

The Company adopted the code of internal procedures and conduct framed under the SEBI (Prohibition of Insider Trading) Regulation, 1992 which, inter alia, prohibited the trading in shares by an 'insider' when in possession of unpublished price sensitive information.

(d) Code of conduct and ethics

The Company laid down a Code of Conduct for the entire Board of Director and senior management to avoid a conflict of interest. The Director and the senior management affirmed compliance with Code of Conduct for the year 2012-2013. A declaration to this effect is attached to this report. There was no material, financial, commercial transactions in which the senior management had a personal interest, leading to a potential conflict of interest during the year under review.

(e) Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity.

As on date there are no outstanding warrants or any convertible instruments. The Company has not issued GDR / ADR.

(f) Adoption of non mandatory requirements

The Company has not adopted any non mandatory requirements except relating to the maintenance of the office of the Non-Executive Chairman.

(g) Auditors' Certificate on Corporate Governance

The Company has obtained a Certificate from its Statutory Auditors regarding compliance of the condition of Corporate Governance, as stipulated in clause 49 of Listing Agreement, which together with this Report on Corporate Governance is annexed to the Director's Report.

(h) Disclosure Under Clause 53 Of The Listing Agreement Regarding Certain Agreements With The Media Companies

Pursuant to the Clause 53 of the Listing Agreement, the Company would like to inform that no agreement(s) have been entered into with the media companies and / or their associates which has resulted in/will result in any kind of shareholding in the Company and consequently any other related disclosure viz. details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. Nor has the company entered into any other back to back treaties /contracts/agreements /MoUs or similar instruments with media companies and/or their associates.

(I) Investor Safeguards and Other Information

(a) Update Address/Bank Details

To receive all communications/corporate action promptly, shareholder holding shares in physical mode are requested to please update their address/bank details with the Company.

(b) Consolidate Multiple Holdings (in respect of physical holding)

Members are requested to consolidate their shareholdings under multiple folios to eliminate receipt of multiple communications and this would ensure that future correspondence / corporate benefit could be sent to consolidate folio.

(c) Dematerialization of shares & Liquidity

The Company's shares are available for trading in the physical mode only. The Company is taking steps for dematerialization of shares of Company through both CDSL/NSDL.

(d) Register email address

As you all may be aware, Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing Circulars 17/2011 and 18/2011 dated 21st April 2011 and 29th April 2011 whereby companies are permitted to send Notice/ documents including Annual Report comprising Balance Sheet, Statement of Profit and Loss, Directors Report, Auditors Report, etc. in electronic mode (herein after 'documents'), provided the Company has obtained email address of its member for sending these documents through email by giving an advance opportunity to every shareholder to register their email addresses and changes therein from time to time with the Company.

Accordingly, shareholders holding shares in physical form are requested to register their email addresses and changes therein from time to time, by directly sending the relevant email addresses along with the details such as name, address, folio no, no of shares held to Company.

(e) Address for Correspondence :

Mihika Industries Limited
3, Bentinck Street
2nd Floor, Kolkata-700 001
Telephone : 033-65366663
Fax : 033-22100875
E-Mail : mihikaindustries@gmail.com

DECLARATION OF COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To
The Members
Mihila Industries Limited
3, Bentinck Street, Kolkata-700001
(West Bengal)

As provide under Clause 49 of the Listing Agreement with the Stock Exchange, the Board Member and the senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2013.

Place : Kolkata
Date : 30th day of May, 2013

KULDEEP KUMAR SETHIA
Chairman and Executive Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Mihika Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Mihika Industries Limited for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied in all material respects, with the conditions of Corporate Governance as stipulated in clause 49 the above mentioned Listing Agreement.

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 **J. GUPTA & CO.**
Chartered Accountants
Firm Reg. No. 314010E

JAI NARAYAN GUPTA
Partner
Membership No.051428

Place : Kolkata
Date : 30th day of May, 2013

INDEPENDENT AUDITOR'S REPORT

The Members,

Mihika Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Mihika Industries Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Dated the 30th Day of May, 2013
Place: Kolkata

For **J. GUPTA & CO.**
Chartered Accountants
Firm Reg. No. No.314010E
JAI NARAYAN GUPTA
Partner
Membership No.051428

Annexure referred to in Paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Mihika Industries Limited)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) All the Fixed Assets have been physically verified by the management at reasonable intervals in a phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No serious discrepancies have been noticed on such verification.
- c) According to the information and explanations given to us, a substantial part of the fixed assets has not been disposed off by the company during the year.
2. a) As explained to us inventories have been physically verified by the management at reasonable intervals.
- 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) On the basis of our examination of inventory records, we are of the opinion that the company is maintaining proper records of inventory. As explained to us, no material discrepancies were noticed on physical verification of inventory.
3. On the basis of records examined by us and according to the information & explanations given to us, the company has neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under 301 of the companies Act,1956. Accordingly, the provisions of Clause 4(iii) of the Order are not applicable
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of Company and the nature of its business with regard to purchases of inventories and fixed assets and sale of shares & securities traded by it .During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
5. a) To the best of our knowledge and beliefs and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained in pursuance of Section 301 of the Act have been properly entered in the said register.
- b) In our opinion and according to the information and explanations given to us, there are no transactions exceeding the value of five lakh rupees in respect of any of the parties mentioned in 5(a) above.
6. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public during the year.
7. The company has an adequate internal audit system, which in our opinion, is commensurate with the size and the nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Act.
9. a) According to the information and explanations given to us and according to books and records produced and examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Sales Tax, Service Tax, Custom duty , Excise duty, cess and any other statutory dues applicable to it.

- b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, Sales Tax, excise duty and cess which are outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no statutory dues, not deposited by the company on account of any dispute.
10. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the current and immediately preceding financial year.
11. On the basis of the records examined by us and the information and explanations given to us, during the year, the company has not availed any borrowings from banks or financial institutions.
12. In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund/ nidhi / mutual benefit fund or society.
14. The Company is not in the business of dealing or trading in shares. The Company is maintained proper records of transactions and contracts in respect of Shares, Securities, Debentures and other Investments and timely entries have been made therein.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not taken any term loan during the financial year covered by our audit.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, we report that no funds raised on short term basis have been used for long-term investment.
18. According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by way of public issues during the year.
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 has been noticed or reported during the course of our audit.

For **J. GUPTA & CO.**

Chartered Accountants

Firm Reg. No. No.314010E

JAI NARAYAN GUPTA

Partner

Membership No.051428

Dated the 30th Day of May, 2013

Place: Kolkata

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in ₹)

S. No.	Particulars	Note	Figures as at 31/03/2013	Figures as at 31/03/2012
I.	EQUITY AND LIABILITIES			
1.	SHAREHOLDERS FUNDS			
	(a) Share Capital	2	100,000,000	2,400,700
	(b) Reserves & Surplus	3	147,064,657	655,140
			247,064,657	3,055,840
2.	CURRENT LIABILITIES			
	(a) Trade Payable	4	-	576,600
	(b) Other Current Liabilities	5	17,417	3,002,809
			17,417	3,579,409
	TOTAL(1+2)		247,082,074	6,635,249
II.	ASSETS			
1.	NON-CURRENT ASSETS			
	(a) Non Current Investments	6	-	125,928
	(b) Deferred Tax Asset (Net)	7	134,512	134,512
			134,512	260,440
2.	CURRENT ASSETS			
	(a) Trade Receivable	8	1,909,363	-
	(b) Cash & Cash Equivalents	9	1,938,824	521,206
	(c) Short Term Loans & Advances	10	10,412,184	5,674,052
	(d) Other Current Assets	11	232,687,191	179,551
			246,947,562	6,374,809
	TOTAL(1+2)		247,082,074	6,635,249
	Summary of Significant Accounting Policies	1		
	Other Explanatory Information	18		

The accompanying notes are an integral part of the financial statements.

In Terms of our report of even date annexed

 For **J. GUPTA & CO.**

Chartered Accountants

Firm Registration Number : 314010E

JAI NARAYAN GUPTA

Partner

Membership Number : 051428

Dated the 30th Day of May, 2013

Place : Kolkata

For and on behalf of Board of Directors

KULDEEP KUMAR SETHIA, Chairman and Executive Director

MALI CHAND AGARWALA, Director

KAMAL KUMAR GOYAL, Director

YASHWANT KUMAR GOYAL, Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

S. No.	Particulars	Note	For the year ended 31/03/2013	For the year ended 31/03/2012
I.	REVENUE FROM OPERATIONS	12	11,858,693	1,905,344
II.	OTHER INCOME	13	419,092	320,662
III.	TOTAL REVENUE (I+II)		<u>12,277,785</u>	<u>2,226,006</u>
IV.	EXPENSES			
	Purchases of Stock-in-Trade	14	11,270,832	1,734,920
	Employee Benefits Expense	15	173,300	181,750
	Other Expenses	16	818,356	295,651
V.	TOTAL EXPENSES		<u>12,262,488</u>	<u>2,212,321</u>
VI.	PROFIT BEFORE TAX (III-V)		15,297	13,685
VII.	TAX EXPENSE			
	Current Tax		4,730	2,838
	Earlier Year's Tax		-	-
	Deferred Tax		- 4,730	- 2,838
VIII.	PROFIT/ (LOSS) FOR THE PERIOD (VI-VII)		<u>10,567</u>	<u>10,847</u>
IX.	EARNING PER EQUITY SHARE	17		
	Basic		0.01	0.05
	Diluted		0.01	0.05
	Summary of Significant Accounting Policies	1		
	Other Explanatory Information	18		

The accompanying notes are an integral part of the financial statements.

In Terms of our report of even date annexed

For **J. GUPTA & CO.**

Chartered Accountants

Firm Registration Number : 314010E

JAI NARAYAN GUPTA

Partner

Membership Number : 051428

Dated the 30th Day of May, 2013

Place : Kolkata

For and on behalf of Board of Directors

KULDEEP KUMAR SETHIA, Chairman and Executive Director

MALI CHAND AGARWALA, Director

KAMAL KUMAR GOYAL, Director

YASHWANT KUMAR GOYAL, Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax & extra ordinary items	15,297	13,685
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows :-		
Interest on Loan	(419,092)	(199,886)
Interest on Partners' capital from RF VG Investment	-	(115,260)
Share of Profit from RF VG Investments	-	(137)
Profit on sale of investments (LTCG)	-	(5,379)
Operating profit/(loss) before working capital changes	(403,795)	(306,977)
Movements in working capital :-		
Trade Payable	(576,600)	576,600
Other Current Liabilities	(2,985,392)	(7,271,453)
Trade Receivables	(1,909,363)	-
Other Current Assets	(232,507,640)	(179,551)
Cash Generated/(used in) from Operation	(238,382,790)	(7,181,381)
Direct Taxes Paid	(4,730)	(2,838)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(238,387,520)	(7,184,219)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Investments	-	5,000
Receipts from partnership firm	125,928	874,903
Interest on Partners' capital from RF VG Investment	-	115,260
Share of Profit from RF VG Investments	-	137
Profit on sale of investments (LTCG)	-	5,379
Increase/ (Decrease) in loans & Advances	(4,738,132)	6,395,406
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(4,612,204)	7,396,085
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of capital	243,998,250	-
Interest on Loan	419,092	199,886
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	244,417,342	199,886
Net Change In Cash & Cash Equivalents (A+B+C)	1,417,618	411,752
Cash & Cash Equivalents' Opening Balance	521,206	109,454
Cash & Cash Equivalents' at the end of the year	1,938,824	521,206
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash in hand	1,374,636	473,800
With bank :		
- In current account	564,188	47,406
- In deposit account	-	-
TOTAL CASH AND CASH EQUIVALENTS	1,938,824	521,206

Notes :

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3 as notified under section 211 (3C) of the Companies Act, 1956.
- Figures in brackets indicate cash outflow.
- Previous year's figures have been rearranged wherever necessary to conform to the current year's presentation.

In Terms of our report of even date annexed

 For **J. GUPTA & CO.**

Chartered Accountants

Firm Registration Number : 314010E

JAI NARAYAN GUPTA

Partner

Membership Number : 051428

Dated the 30th Day of May, 2013

Place : Kolkata

For and on behalf of Board of Directors

KULDEEP KUMAR SETHIA, Chairman and Executive Director

MALI CHAND AGARWALA, Director

KAMAL KUMAR GOYAL, Director

YASHWANT KUMAR GOYAL, Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES :

(A) Nature of Operations :

The main business of the Company is that of Trading in Fabrics, Commission Agent and Investment.

(B) Basis of Preparation of Financial Statements :

(a) System of Accounting

The Financial Statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

(b) Use of Estimates

The Preparation of Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

(C) Revenue Recognition :

- (i) Sales comprise sale of fabrics. Revenue from sale of fabrics is recognised :
 - (a) when all the significant risks and rewards of ownership are transferred to the buyer which coincides with delivery and are recorded net of expenses incurred in this behalf.
 - (b) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale.
- (ii) Income from Investments is taken into account when the same are sold and the certainty of transaction is confirmed.
- (iii) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(D) Fixed Assets and Depreciation :

All fixed assets are stated at cost, comprising of purchase price, duty, levies and direct attributable cost of bringing the assets to their working condition for the intended use. Depreciation is provided according to straight line method at the rates prescribed by the Schedule XIV to the Companies Act, 1956 and Provision for impairment loss is recognised to the extent by which the carrying amount of an assets exceeds its recoverable amount.

(E) Investments :

Long Term Investments are stated at cost. The company provides for diminution, other than temporary, in the value of long term investments. Current Investments, if any are valued at cost or fair market value whichever is lower.

(F) Retirement Benefits :

Contribution of Provident Fund, Gratuity and Leave encashment benefits wherever applicable is being accounted on actual liability basis as and when arises. However, the above referred provisions are not applicable to the company as it does not fall within the purview of the same in the year under review.

(G) Inventories :

Inventories are valued at cost arrived at FIFO basis or net realisable value whichever is lower.

(H) Earning Per Share :

The Basic and Diluted Earning Per Share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**(I) Provisions for Taxation :**

The expenses comprises of current tax(i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and defrred tax charges or credit (reflecting the tax effects of timing diffrence between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

(J) Provisions and Contingencies :

(i) Provision is recognised (for liabilities that can be measured by using a substantial degree of estimation) when :

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

(ii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflowof resources. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013
(FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013)

(Amount in ₹)

Note	Particulars	Figures as at 31/03/2013	Figures as at 31/03/2012
2.	SHARE CAPITAL:		
	(1) Authorised		
	10000000 Equity Shares of Rs.10/- each	<u>100,000,000</u>	<u>10,000,000</u>
	(Previous Year: 1000000 Equity Shares of Rs.10/- each)	<u>100,000,000</u>	<u>10,000,000</u>
	(2) Issued, Subscribed & Paid Up		
	10000000 Equity Shares of Rs.10/-each	<u>100,000,000</u>	<u>2,400,700</u>
	(Previous Year: 240070 Equity Shares of Rs.10/- each)	<u>100,000,000</u>	<u>2,400,700</u>

a) Reconciliation of number of shares :

Equity Shares:	No. of Shares	Amount	No. of Shares	Amount
No. of Equity Shares outstanding at the beginning of the year	240070	2,400,700	2,400,700	2,400,700
Add: Additional Equity Shares issued during the year	9759930	97,599,300	-	-
Less: Shares forfeited/bought back during the year	-	-	-	-
No. of Equity Shares outstanding at the end of the year	<u>10000000</u>	<u>100,000,000</u>	<u>240070</u>	<u>2,400,700</u>

b) Rights, preferences and restrictions attached to shares:

The Company has issued one class of equity shares having a face value of Rs. 10 per share. Each shareholder has right to vote in respect of such share, on every resolution placed before the Company and his voting right on a poll shall be in proportion to his share of the paid-up equity capital of the Company. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

c) List of shareholders holding more than 5% of shares as on the date of Balance Sheet :

Shareholder	No. of Shares	% of Share	No. of Shares	% of Share
Jain Commodity Broking Pvt. Ltd.	2400000	24.00%	-	--

d) No shares are reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment.

e) During the immediately preceeding five years to current year as well as previous year. The Company has :
not allotted any shares without payment being received in cash;
not allotted any shares as bonus shares;
not bought back any shares.

3. RESERVE & SURPLUS

a) GENERAL RESERVES		
At the Beginning of The Year	<u>485,000</u>	485,000
Additions during the year	<u>-</u>	<u>-</u>
At the end of the year	<u>485,000</u>	<u>485,000</u>
b) SECURITIES PREMIUM ACCOUNT		
At the Beginning of the Year	<u>-</u>	<u>-</u>
Additions during the year	<u>146,398,950</u>	<u>-</u>
At the end of the year	<u>146,398,950</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013
 (FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013)

(Amount in ₹)

Note	Particulars	Figures as at 31/03/2013	Figures as at 31/03/2012
3.	RESERVE & SURPLUS (Contd.)		
	c) SURPLUS		
	At the Beginning of The Year	170,140	159,293
	Add : Net Profit for the year	10,567	10,847
	At the end of the Accounting Period	180,707	170,140
	TOTAL (a+b+c)	147,064,657	655,140
4.	TRADE PAYABLE		
	Creditors for Goods Traded	-	576,600
		-	576,600
5.	OTHER CURRENT LIABILITIES		
	Sundry Advances	-	3,000,000
	Outstanding Liabilities	17,417	2,809
		17,417	3,002,809
6.	NON CURRENT INVESTMENT		
	Investment in Partnership Firm*		
	M/s. V. G. Investments		
	Capital Account	-	200,000
	Current Account	-	(74,072)
		-	125,928

Name of Partners and Profit sharing Ratio of the Partnership Firm in which the Company is partner :
Name of Partnership Firm : VG INVESTMENTS

Sl.	Name of Partners	Profit Sharing Ratio (%)	
1	Bhagwan Lal Goyal HUF	0%	11%
2	Kamal Kumar Goyal HUF	0%	11%
3	Kandoi Capital Pvt. Ltd.	0%	6%
4	Lamcok (India) Pvt. Ltd.	0%	6%
5	Mihika Industries Ltd.	0%	6%
6	Rasraj Plastics Pvt. Ltd.	0%	6%
7	Shankar Traders & Distributors Pvt. Ltd.	0%	6%
8	Shayam Goyal	0%	10%
9	Vijay Gaurav Rasayan Pvt. Ltd.	0%	6%
10	Vinod Kumar Goyal HUF	0%	11%
11	Y K Goyal HUF	0%	11%
12	Yashwant Kuamr Goyal HUF	0%	10%

* The Company has withdrawn from the Partnership firm w.e.f. 01.04.2012

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013
(FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013)

(Amount in ₹)

Note	Particulars	Figures as at 31/03/2013	Figures as at 31/03/2012
7.	DEFERRED TAX ASSETS (NET)		
	Carried Forward Losses	<u>134,512</u>	134,512
		<u>134,512</u>	<u>134,512</u>
8.	TRADE RECEIVABLES		
	Trade receivables exceeding six month	-	-
	Others - Unsecured, Considered goods	1,909,363	-
	Others	-	-
		<u>1,909,363</u>	<u>-</u>
9.	CASH & CASH EQUIVALENTS		
	Balance with Bank in Current Account	564,188	47,406
	Cash on hand	1,374,636	473,800
		<u>1,938,824</u>	<u>521,206</u>
10.	SHORT TERM LOANS & ADVANCES		
	Loans (Unsecured, considered good)		
	(a) To related parties	-	-
	(b) To others	10,300,000	5,600,000
	Advances :		
	FBT Refundable	-	7,020
	TDS Receivable	-	17,112
	TDS for the year	99,802	19,950
	Less: Provision for Taxation	4,730	2,838
		<u>95,072</u>	<u>74,052</u>
		<u>10,412,184</u>	<u>5,674,052</u>
11.	OTHER CURRENT ASSETS		
	Other Debts	232,542,000	-
	Interest Accrued and Due	145,191	179,551
		<u>232,687,191</u>	<u>179,551</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013
(FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013) (Amount in ₹)

Note	Particulars	Figures as at 31/03/2013	Figures as at 31/03/2012
12.	REVENUE FROM OPERATION		
	Sales	11,279,792	1,648,245
	Other Operating income:		
	Commission	578,901	257,099
	Net Revenue From Operations	11,858,693	1,905,344
13.	OTHER INCOME		
	Interest on Loan	419,092	199,886
	Interest on Partners' capital from RF VG Investment	-	115,260
	Share of Profit from RF VG Investments	-	137
	Profit on sale of investments (LTCCG)	-	5,379
		419,092	320,662
14.	PURCHASES OF STOCK-IN-TRADE		
	Purchases	11,270,832	1,734,920
		11,270,832	1,734,920
15.	EMPLOYEE BENEFITS EXPENSE		
	Salary	173,300	181,750
		173,300	181,750
16.	OTHER EXPENSES		
	Advertisement Expense	9,840	4,800
	Auditors' Remuneration :		
	For Statutory Audit	5,618	2,809
	For Tax Audit	2,809	-
	For Others	8,990	-
		17,417	2,809
	Bank Charges	2,814	744
	Books & Periodicals	7,220	-
	Conveyance	16,675	22,290
	CSR Initiatives	7,570	3,750
	Fees To Stock Exchanges	14,750	57,050
	Filing Fees	459,500	1,500
	General Expenses	102,910	71,923
	Professional Expenses	14,994	25,801
	Miscellaneous Expenses	56,956	800
	Office Maintainance Expenses	19,730	10,740
	Postage & Courier Exp.	30,710	10,840
	Printing & Stationery	25,780	32,281
	Rates & Taxes	5,000	-
	Telephone Expenses	15,740	18,063
	Travelling Expenses	10,750	32,260
		818,356	295,651
17.	EARNING PER SHARE (EPS)		
	Profit attributable to Equity Shareholders (A)	10,567	10,847
	Weighted average no. of Equity Shares (B)	1,256,172	240,070
	Basic and Diluted EPS (A/B)	0.01	0.05
	Face Value of Equity Shares	10.00	10.00
	(9759930 equity shares have been allotted on 22.02.2013)		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013
(FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013)

Note Particulars

18. (A) Dues to SMEs :

There are no dues to Micro and Small Enterprises, that are reportable under the Micro, Small and Medium Enterprises Development Act, 2006.

(B) Related Party Disclosure :

a) Related Parties as per AS-18

Associates : Jain Commodity Broking Pvt. Ltd.

b) Transactions with related parties during the year : (In Rupees)

Nature of Relationship/Transaction	Associates		Total	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Receipt on a/c of Preferential Issue	60,000,000	-	60,000,000	-

(C) Segment Reporting:

The main business of the Company is Trading in Fabrics, Commission Agent and Investment and accordingly there are no separate reportable segment as per Accounting Standard -17.

(D) The Company has raised its equity share capital by issue of 9759930 equity shares of Rs.10/- each at a premium of Rs.15/- per share amounting to Rs.24,39,98,250/- in terms of SEBI (ICDR) Regulations, 2009 after taking all the requisite approvals as required. The Company has received Final Listing Approval from the U.P.Stock Exchange Ltd. for the fresh equity shares issued.

(E) There has been no events occurred after the Balance Sheet date having financial effect on Financial Statement.

(F) There has been no foreign exchange transaction or operation conducted by the company.

(G) There are no contingencies existing at the Balance Sheet date.

(H) The Company has elected to publish quarterly financial results which were subject to limited review by the statutory auditors.

(I) During the year, the Company has not discontinued any of its operations.

(J) At each Balance Sheet date an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.

(K) The figures have been rounded off to nearest rupee.

(L) The figures of previous year have been regrouped / recast wherever considered necessary to make them comparable with those of current year.

In Terms of our report of even date annexed

For **J. GUPTA & CO.**

Chartered Accountants

Firm Registration Number : 314010E

JAI NARAYAN GUPTA

Partner

Membership Number : 051428

Dated the 30th Day of May, 2013

Place : Kolkata

For and on behalf of Board of Directors

KULDEEP KUMAR SETHIA, Chairman and Executive Director

MALI CHAND AGARWALA, Director

KAMAL KUMAR GOYAL, Director

YASHWANT KUMAR GOYAL, Director



[TEAR HERE]

MIHIKA INDUSTRIES LIMITED

3, Bentinck Street, 2nd Floor, Kolkata - 700001

ATTENDANCE SLIP

Registered Folio No./ Client ID No. :

DP ID No. :

Name :

Address :

I / We certify that I / We am / are a Registered shareholder/ proxy for the registered shareholder of the company.

I / We hereby record my / our presence at the Thirtieth Annual General Meeting of the Company held at its Registered Office, 3, Bentinck Street, 2nd Floor, Kolkata - 700 001 on 30.09.2013 at 1.00 P.M.

NAME OF THE SHREHOLDER / PROXY	SIGNATURE OF THE SHAREHOLDER / PROXY
_____	_____
_____	_____
_____	_____
_____	_____

[TEAR HERE]



MIHIKA INDUSTRIES LIMITED

3, Bentinck Street, 2nd Floor, Kolkata - 700001

PROXY

I/We _____ of _____ in the district of _____ being a member/ members of the above named Company, hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the 30th Annual General Meeting of the Company to be held at Registered Office at 3, Bentinck Street , 2nd Floor, Kolkata-700001 on Monday, the 30th September, 2013 at 1.00 P.M. and at any adjournment thereof.

Folio No./Client ID No. _____

No. of Shares: _____

Signed this _____ day of _____ 2013

Signature _____

Affix a Please affix revenue stamp here

Note : 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.

MIHIKA INDUSTRIES LIMITED

3, Bentinck Street, 2nd Floor

Kolkata -700 001