

MIHIKA INDUSTRIES LIMITED

**31st Annual Report
2013 - 2014**

Board of Directors	<p>Kuldeep Kumar Sethia <i>Chairman and Managing Director</i></p> <p>Mali Chand Agarwala <i>Independent Director</i></p> <p>Yashwant Kumar Goyal <i>Independent Director</i></p> <p>Rajesh Shah <i>Independent Director</i></p>
Company Secretary and Chief Compliance Officer	<p>Varsha Khandelwal</p>
Audit Committee	<p>Rajesh Shah Mali Chand Agarwala Yashwant Kumar Goyal</p>
Stakeholders' Relationship Committee	<p>Kuldeep Kumar Sethia Mali Chand Agarwala Yashwant Kumar Goyal</p>
Nomination and Remuneration Committee	<p>Rajesh Shah Mali Chand Agarwala Yashwant Kumar Goyal</p>
Auditors	<p>M/s. J. Gupta & Co. Chartered Accountants, Kolkata</p>
Bankers	<p>Indusind Bank Limited HDFC Bank Ltd.</p>
Registered Office	<p>3, Bentinck Street, 2nd Floor Kolkata -700 001 Telephone : 033-6536 6663 Fax : 033-2210 0875 e-mail : mihikaindustries@gmail.com Website : www.mihika.co.in</p>
CIN	<p>L70101WB1983PLC035638</p>
Registrar & Share Transfer Agent	<p>ABS Consultant Pvt. Ltd. Room No. 99, 6th Floor, 3 Stephen House 4 B.B.D Bag (East), Kolkata-700 001 Telephone : 033-22301043/ 033-22430153 e-mail : absconsultant@vsnl.net</p>

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NOTICE

NOTICE is hereby given that the Thirty First 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 Tuesday, the 30th September, 2014 to transact the following businesses:-

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2014 together with the Directors' Report and Auditors' Report thereon.
2. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT M/s J. Gupta & Co., Chartered Accountants (Firm Registration No 314010E), be and are hereby appointed as Auditors of the Company, to hold office for two years from the conclusion of the ensuing Annual General Meeting till the conclusion of the 33rd Annual General Meeting, to be scheduled in 2016 and to fix their remuneration for the year 2014-2015."

AS SPECIAL BUSINESS

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Mr. Kuldeep Kumar Sethia (DIN: 00325632) as Managing Director of the Company, with effect from May 30, 2014 to September 30, 2016, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/ or remuneration as it may deem fit and as may be acceptable to Mr. Kuldeep Kumar Sethia, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

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

4. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rajesh Shah (DIN: 06746791), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f 30th May 2014, and who hold office till the conclusion of next Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Rajesh Shah for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company."

By order of the Board

Place: Kolkata

Dated: 7th day of August, 2014

Varsha Khandelwal
Company Secretary

NOTES

1. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the company at its registered office not less than 48 hours before the meeting.
2. Proxies submitted on behalf of Limited Companies, Bodies Corporate, Societies etc. must be supported by appropriate resolution/authority, as applicable. Blank Proxy form is attached.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed thereto.
4. Corporate members intending to send their Authorized Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.

Specimen Resolution for the purpose is as under :

"RESOLVED THAT pursuant to the provisions of section 113 and all other applicable provisions, if any, of the Companies Act 2013, Mr.....or failing him Mr..... be and is hereby authorized to act as the representative of(name of corporate member) to attend the 31st Annual General Meeting of **Mihika Industries Ltd.** to be held on 30th September 2014 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.

5. Register of Members and Share Transfer Books of the Company will remain closed from 25.09.2014 to 30.09.2014(both days inclusive).
6. 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
7. Brief resume of the Directors being appointed/ re-appointed, nature of the expertise in specific functional areas, names of Indian Public Limited Companies in which he holds Directorship and Membership/ Chairmanship of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange in India are provided in the Explanatory Statements forming part of the Annual Report.
8. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Sundays and Holidays between 11:00 a.m. to 1:00 p.m. up to the date of Annual General Meeting.
9. The Company has got its shares dematerialized with both the depositories viz., NSDL and CDSL. The ISIN of the Company is INE779Q01017. The Shareholders and Members are requested to get the equity shares of the Company dematerialized.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company.
11. Members are requested :
 - a. To bring their attendance slip along with their Annual Report to the Meeting;
 - b. To quote their ledger Folio No./DP ID and Client ID in all communications addressed to the Company;

- c. To notify immediately any change in their address (including pin code), bank details to RTA in case the shares are held in physical form; and
- d. In case the shares held in dematerialised form, such information shall be passed on directly to their respective Depository Participant without any delay and not to the Company/ RTA.

12. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members holding shares either in physical form or in dematerialized form the facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are as under:

The notice of the 31st Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members. The e-Voting particulars are provided at the bottom of the Attendance Slip for the 31st Annual General Meeting (AGM):

- a. Log on to the e-voting website: **www.evotingindia.com** during the voting period.
- b. Click on "Shareholders" tab.
- c. Now, select Electronic Voting Sequence No. as mentioned in the Attendance Slip alongwith "**Mihika Industries Limited**" from the drop down menu and click on "SUBMIT".
- d. Now Enter your User ID (as mentioned in the Attendance Slip):
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image Verification as displayed and Click on Login.
- f. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- g. However, if you are a first time user, please use the e-Voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes.
- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach. Password Creation' menu wherein they are required to mandatory enter their login password in the new password field.

Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e- voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j. For Members holding shares in physical form, the **details in Attendance Slip** can be used only for e-voting on the resolutions contained in this Notice.
- k. Click on the relevant EVSN "**Mihika Industries Limited**" for which you choose to vote.
- l. On the voting page, you will see "**Resolution Description**" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- m. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
 - n. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - o. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - p. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - q. If Demat account holder has forgotten the **changed password** then enter the User ID and image verification code, click on Forgot Password & enter the details as prompted by the system.
 - r.
 - Institutional shareholders (i.e. other than Individuals, H U F and NRI etc.) are required to log on to **<https://www.evotingindia.co.in>** and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cDSLindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cDSLindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Authorised Person/Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under **help** section or write an email to helpdesk.evoting@cDSLindia.com. You can also contact the helpdesk on the toll free number: 1800-200-5533.
- III. The e-voting period begins from 24.09.2014 from 9.00 A.M. and ends on 25.09.2014 till 6.00 P.M. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off/entitlement date of 8th August 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off/entitlement date of 8th August 2014.
- V. Mr. Santosh Kumar Singh, A Practicing Chartered Accountants, Membership No. 301223 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- The Results shall be declared on or after the 31st Annual General Meeting (AGM) of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two (2) days of passing of the resolutions at the 31st Annual General Meeting (AGM) of the Company on 30th September 2014 and communicated to the Stock Exchange.
13. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent/dissent in physical form. Assent/ Dissent form for voting on AGM resolutions is attached herewith.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No 3

The Board of Directors of the Company ("the Board") at its meeting held on May 30, 2014 has subject to approval of members, appointed Mr. Kuldeep Kumar Sethia as Managing Director for a period commencing from 30th May 2014 till 30th September 2016, on the terms and conditions as agreed between the Company and Mr. Kuldeep Kumar Sethia. A notice has been received from a member proposing Mr. Kuldeep Kumar Sethia as a candidate for the office of Managing Director of the Company at the forthcoming Annual General Meeting.

Brief Resume of Mr. Kuldeep Kumar Sethia

Particulars	Mr. Kuldeep Kumar Sethia
Date of birth	12th October, 1972
Date of appointment	28th September, 2012
Qualification	Higher Secondary
Expertise in specific functional area	He has over 18 years of experience in the field of Business, Finance and Accounts and also in the field of Capital Market and trading in various Commodities.
Directorship held in other companies (excluding foreign companies)	1. Jain Broking Pvt. Ltd. 2. Jain Commodity Broking Pvt. Ltd.
Membership/ Chairmanship of Committees of other Indian Public Companies	NIL
Number of Shares held in the Company as on 31st March 2014	2175 Shares

The Board considers that the Company would be benefited by his rich experience and guidance. Pursuant to Section 149 of the Companies Act, 2013, Mr. Kuldeep Kumar Sethia shall hold the Office of a Managing Director for a period commencing from 30th May 2014 till 30th September 2016.

Mr. Kuldeep Kumar Sethia is interested in the resolution set out at Item No. 3 of the Notice with regard to his appointment.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

The main terms and conditions of his appointment are as follows:

1. Tenure

Mr. Kuldeep Kumar Sethia has been appointed for a period from 30th May 2014 to 30th September 2016.

2. Remuneration

Rs. 3,00,000/- per annum (Rupees Three Lacs Only) inclusive of all the perquisites and benefits.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax rules, 1962 wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated as per rules of the company. The gratuity payment shall be considered as per company's rules and shall not be included in the computation of ceiling on remuneration and perquisite.

3. **Other terms of Appointment :** The terms set out for payment of remuneration specified herein may be altered and varied from time to time by the Board of Directors/Nomination and Remuneration Committee of the Company as it may, at its discretion deem fit. The Board is also entitled to revise the salary of Mr. Kuldeep Kumar Sethia at any time, such that the overall yearly remuneration payable to the said director shall not exceed the limits specified under Schedule V of the Companies Act, 2013.
4. **Minimum Remuneration :** Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has suffered loss or its profits are inadequate, Mr. Kuldeep Kumar Sethia shall be paid the above remuneration as minimum remuneration subject to the limit prescribed under section 197 and 198 of Schedule V to the Companies Act, 2013. Mr. Kuldeep Kumar Sethia will not be entitled to any sitting fee for attending Meetings of the Board.

Item No 4

The Board of Directors of the Company ("the Board") at its meeting held on May 30, 2014 has subject to approval of members, appointed Mr. Rajesh Shah as Additional Director of the Company who hold office from this Annual General Meeting to the date of next Annual General Meeting and is eligible for appointment as Director. A notice has been received from a member proposing Mr. Rajesh Shah as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Brief Resume of Mr. Rajesh Shah

Particulars	Mr. Rajesh Shah
Date of birth	6th December, 1962
Date of appointment	30th May, 2014
Qualification	B.Com(Hons), FCA, LLB
Expertise in specific functional area	Mr. Rajesh Shah is a Chartered Accountant, fellow member of The Institute of Chartered Accountant of India and has more than 25 years of experience in the field of Finance and Corporate Law.
Directorship held in other companies (excluding foreign companies)	Sarvottam Finvest Limited
Membership/ Chairmanship of Committees of other Indian Public Companies	1 (One)
Number of Shares held in the Company as on 31st March, 2014	NIL

The Board considers that the Company would be benefited by his rich experience and guidance. Pursuant to provision of Section 161 of the Companies Act, 2013, Mr. Rajesh Shah shall hold the Office of Additional Director w.e.f 30th May 2014.

The Company has also received a declaration from him that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchange.

Mr. Rajesh Shah is interested in the resolution set out at Item No. 4 of the Notice with regard to his appointment.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

By order of the Board

Place: Kolkata
Dated: 7th day of August, 2014

Varsha Khandelwal
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 31st Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL PERFORMANCE

(Amount in ₹)

	31st March, 2014	31st March, 2013
Profit before tax	133803	15297
Less: Tax Expense	41344	4730
Profit after tax	92459	10567
Add: Balance brought forward from previous year	180707	170140
Balance available for appropriation	273166	180707
Balance carried to Balance Sheet	273166	180707

DIVIDEND

With a view to conserve resources for growth of Company, no dividend is recommended by the Board for the year ended 31st March, 2014.

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, 2014.

CAPITAL STRUCTURE

During the year, there has been no change in the capital base of the company, which comprises of 1,00,00,000 Equity Shares of Rs.10/-each.

DIRECTORS

Mr. Rajesh Shah was appointed as Additional Director as an Independent Director of the Company with effect from 30th May 2014. He holds office till the Conclusion of next Annual General meeting.

Mr. Kuldeep Kumar Sethia was redesignated / appointed as Managing Director of the Company.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchange.

A brief resume of the Directors being appointed/re-appointed, nature of the expertise in specific functional areas, names of companies in which they holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors as stipulated under Clause 49 of the Listing Agreement with the stock exchange, is provided in Notice of the Annual General Meeting. The Board of Directors of the Company recommends the appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors acknowledge the responsibility for ensuring compliance with provisions of Section 217 (2AA) of the Companies Act, 1956 in preparation of the Annual Accounts of your Company for the financial year ended 31st March, 2014 and confirm that :-

- a) 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 judgements 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 on 31st March, 2014 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 Directors have prepared the Accounts for the financial year ended 31st March, 2014 on 'going concern' basis.

CORPORATE GOVERNANCE

Your Company has been consistently complying with the various regulations of Securities & Exchange Board of India (SEBI), including regulations on Corporate Governance, which is enumerated under Clause 49 of the Listing Agreement. Pursuant to the said SEBI regulations, a separate section titled 'Corporate Governance Report' is being furnished. Further your Company's Statutory Auditors M/s J. Gupta & Co., Chartered Accountants, have examined compliance of the aforesaid SEBI Corporate Governance Guidelines and issued a Certificate, which is annexed to this Report.

The Company has adopted a code of conduct applicable to the Board and senior management. The Company is committed to maximize the value of its stakeholders by adopting the principles of good Corporate Governance in line with the provisions of law and in particular those stipulated in Listing Agreement with the Stock Exchange.

SEBI vide its Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April 2014 has notified the revised Clause 49 of the Listing Agreement to be applicable with effect from 1st October 2014. This report therefore stands complied against the previous Clause 49 of the Listing Agreement.

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 Exchange is presented, in a separate section forming part of the Annual 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, 2014, being the end of the financial year of the Company.

INTERNAL CONTROL SYSTEMS

The Company's auditors have confirmed that the Company has proper and adequate internal control systems commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and that all applicable statutes and corporate policies are duly complied with.

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

Pursuant to the provision of Section 139 of the Companies Act, 2013 and Rules made thereunder, the current auditors of the Company, M/s J. Gupta & Co., Chartered Accountants are eligible to hold the office for further period of two years upto 2016.

The members are therefore requested to re-appoint M/s J. Gupta & Co., Chartered Accountants as auditors for two years from the conclusion of the ensuing Annual General Meeting till the conclusion of the 33rd Annual General Meeting, to be scheduled in 2016 and to fix their remuneration for the year 2014-2015.

STATUTORY AND OTHER INFORMATION

Your Company has no employee in the category under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no particulars to report regarding technology absorption, conservation of energy as required under Section 217(1)(e) of the Companies Act, 1956 and Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. During the year under review, the Company did not have any foreign exchange earnings, or any foreign exchange outgo.

APPRECIATION

Your Directors wish to place on record their appreciation for continued guidance 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.

For and on behalf of the Board

Place : Kolkata

Dated: 30th day of May, 2014

KULDEEP KUMAR SETHIA

Chairman and Managing Director

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; and
- ▶ 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 Managing Director. The Board is headed by Mr. Kuldeep Kumar Sethia, Chairman and Managing 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. They ensure that the management adheres to high standards of ethics, transparency and compliance.

(b) Number of Board Meetings

During the year under review Six Board meetings were held on 30th April 2013, 30th May 2013, 14th August 2013, 30th September 2013, 14th November 2013 and 13th February 2014. 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, interalia, 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:

The Board consists of the following directors :

Name of Directors	Attendance of last AGM	No. of Board Meeting Attended	Category of Director	Other Directorship in Indian Public Companies	No. of Other Companies Board's Committee	
					Chairperson	Member
Mr. Kuldeep Kumar Sethia	YES	6	Chairman and Managing Director	NIL	NIL	NIL
Mr. Mali Chand Agarwala	YES	6	Independent Non-Executive Director	NIL	NIL	NIL
Mr. Kamal Kumar Goyal*	YES	4	Independent Non-Executive Director	NIL	NIL	NIL
Mr. Yashwant Kumar Goyal	YES	6	Independent Non-Executive Director	NIL	NIL	NIL
Mr. Rajesh Shah**	NO	N.A	Independent Non-Executive Director	1	1	1

*Cessation on 30th Sep 2013

**Rajesh Shah Appointed on 30th May 2014.

None of the directors are related to each other.

(d) Information placed before 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

Name : Ms. Varsha Khandelwal
Designation : Company Secretary and Chief Compliance Officer

C. Details of Remuneration paid to Non-Executive Directors

The Non-Executive Directors are entitled to 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 have constituted various committees of the directors with adequate delegation of power to properly discharge business of the Company.

These Committees are :-

- ▶ Audit Committee
- ▶ Stakeholders' Relationship Committee
- ▶ Nomination and Remuneration Committee

(a) Audit Committee

Composition and Terms of Reference

The Audit Committee presently comprises of three Independent Directors viz. Mr.Mali Chand Agarwala, Mr. Rajesh Shah and Mr. Yashwant Kumar Goyal. The committee was reconstituted during the year.

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 exchange and conformity with their requirements concerning financial statements.
 - Major accounting entries based on the exercise of prudential judgement 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 four meetings of the committee were held on 30th May 2013, 14th August 2013, 14th November 2013 and 13th February 2014. The composition of the committee and the attendance of the members at the meeting were as follows:

Name of Member	Designation in the Committee	No. of Meetings Attended
Mr. Rajesh Shah*	Chairman	N.A
Mr. Mali Chand Agarwala**	Member	4
Mr. Yashwant Kumar Goyal	Member	4
Mr. Kuldeep Kumar Sethia	Member	4

* Appointed on 30th May 2014.

** Chairman of the Committee during the year.

The Committee reviews various aspects of the internal control system, financial and risk management policies. The requirements in respect of Clause 49 of the Listing Agreement 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) Stakeholders' Relationship Committee

The Share Transfer/ Investors' Grievance Committee has been renamed during the year as Stakeholders' Relationship Committee. The main function of the Stakeholders' Relationship Committee is to review the status of redressal of Shareholders/ Investors complaints on a periodical basis.

Composition and Terms of Reference

The Stakeholders' Relationship Committee presently comprises of three Directors viz, Mr. Kuldeep Kumar Sethia, Mr. Mali Chand Agarwala and Mr. Yashwant Kumar Goyal.

The Committee oversees the redressal of shareholders and investors 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 and non-receipt of the Annual Report. It also recommends measures for improvement in investor services. Committee keeps a close watch on the performance of M/s. ABS Consultant Pvt. Ltd, the Registrar & Share Transfer Agent of the Company. The Committee meets as often as is necessary for resolution of important matters within its mandate. There were no investors complaints pending at the end of the financial year.

Meetings and Attendance

During the year under review, Eleven meetings of the committee were held on 22nd April 2013, 27th May 2013, 20th June 2013, 9th July 2013, 3rd October 2013, 21st October 2013, 28th November 2013, 21st December 2013, 25th February 2014, 3rd March 2014 and 10th March 2014. The composition of the committee and the attendance of the members at the meeting were as follows :

Name of Member	Designation in the Committee	No. of Meetings Attended
Mr. Kuldeep Kumar Sethia	Chairman	11
Mr. Mali Chand Agarwala	Member	11
Mr. Yashwant Kumar Goyal	Member	11

Minutes of the meeting of the Stakeholders' Relationship Committee are approved by the Chairman of the Committee and are noted by the Board at its next meeting.

Shareholders/Investors' Complaints Received and Resolved During the Year

During the year the Company has not received any Shareholders/Investors' Complaints. There was no unresolved complaint as on 31st March, 2014.

(c) Nomination And Remuneration Committee

The Nomination and Remuneration Committee was constituted on 30th May 2014, in accordance with Clause 49 of the Listing Agreement and/or Section 178 of the Companies Act, 2013 determines and recommends the remuneration payable to the Directors. The remuneration policy is in consonance with the existing industry practice.

Composition and Terms of Reference

The Nomination and Remuneration Committee presently comprises of three Directors viz. Mr. Rajesh Shah, Mr. Mali Chand Agarwala and Mr. Yashwant Kumar Goyal.

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement as amended from time to time.

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

- ▶ To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- ▶ To carry out evaluation of every Director's performance.
- ▶ To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- ▶ To formulate the criteria for evaluation of Independent Directors and the Board.
- ▶ To devise a policy on Board diversity.
- ▶ To recommend/review remuneration of the Managing Director/Key Managerial Personnel based on their performance and defined assessment criteria.
- ▶ To carry out any other function as is mandated by the Board from time to time and /or enforced by any statutory notification, amendment or modification, as may be applicable.
- ▶ To perform such other functions as may be necessary or appropriate for the performance of its duties.

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. 17 (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) Rules, 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 risk, business risk or reporting risk. Strategic risk is those which are associated with the longer term interests of the Company. Reporting risk is 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 Managing Director 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, 2014.

G. Shareholders Information

(a) Means of Communication

In accordance with Clause 54 of the Listing Agreement, the Company has maintained a functioning website at www.mihika.co.in containing the basic information about the company viz. the details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

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 "Business Standard" in English and "Arthik Lipi/ Kalantar" in vernacular.

Further the Company disseminates to the Stock Exchange where the equity shares of the Company is 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 shareholders 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
30th	2012-13	September 30, 2013	1.00 P.M.	3, Bentinck Street, 2nd Floor Kolkata - 700 001	None
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

The 31st Annual General Meeting is proposed to be held on 30th September, 2014 at 1.00 P.M. at the registered office of the Company.

Postal Ballot : No resolution by way of Postal Ballot was passed during the year 2013-2014.

(c) Disclosures regarding Directors seeking appointment/ re-appointment

Mr. Rajesh Shah was appointed as Additional Director as an Independent Director of the Company. Brief particulars of the directors being appointed, nature of the expertise in specific functional areas, names of Indian Public Companies in which he hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange in India, are provided in the notes to the notice of the Annual General Meeting.

(d) General Shareholders' information

i. 31st Annual General Meeting :

- (i) Date 30/09/2014
- (ii) Day Tuesday
- (iii) Time 1.00 p.m.
- (iv) Venue At Registered Office :
3, Bentinck Street, 2nd Floor
Kolkata - 700001 (W.B.)

ii. Last Date for receipt of Proxies

Saturday, 27th September, 2014 (before 1 p.m. at the registered office of the company).

iii. Book Closure

The register of member and share transfer book of the Company shall remain closed from 25th September, 2014 to 30th September, 2014 (both days inclusive).

iv. Tentative Financial Calendar

First Quarter Result & Limited Review	Mid Aug, 2014
Second Quarter Result & Limited Review	Mid Nov, 2014
Third Quarter Result & Limited Review	Mid Feb, 2015
Audited Annual Result (2014-2015)	End May,2015

v. Listing on Stock Exchange and Stock Code

The name of the Stock Exchange where the equity shares of the Company are listed and the respective stock code are as follows :

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

Listing fees for the year 2014-2015 have been paid to the Stock Exchange within the stipulated time.

vi. 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.

vii. Corporate Identification Number

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

viii. Market Price Data

There has been no trading in the shares of the Company at Stock Exchange during the year.

ix. Distribution of Shareholding as on 31st March, 2014

Sl. No.	No. of Equity Shares	No. of Shareholding	% of total Shareholders	No. of Shares held	% of total Shares
1	1 to 500	359	65.51	89770	0.90
2	501 to 1000	48	8.76	43415	0.43
3	1001 to 2000	54	9.85	85260	0.85
4	2001 to 3000	10	1.83	21625	0.22
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	76	13.87	7359930	73.60
10	100001 and Above	1	0.18	2400000	24.00
	TOTAL	548	100.00	10000000	100.00

x. Details of shareholding as on 31st March, 2014

Sl. No.	Category	No. of Shareholder	% of Shareholder	No. of Shares held	% of Share holding
1	Promoter	2	0.36	2402175	24.02
2	Financial Institutions, Banks and Mutual Funds	NIL	NIL	NIL	NIL
3	Private Corporate Bodies & Association	38	6.93	3711930	37.10
4	Indian Public	508	92.71	3885895	38.88
5	FIs	NIL	NIL	NIL	NIL
6	NRI, Foreign, National and OCBs	NIL	NIL	NIL	NIL
	Total	548	100.00	10000000	100.00

xi. Share Transfer System

Share transfer are registered and returned normally within the period stipulated in the Listing Agreement from the date of receipt if the documents are clear in all respect. The Stakeholders' Relationship Committee is authorized to approve the transfer of shares.

xii. Address for Shareholders' Correspondence

The company has appointed M/s. ABS Consultant Pvt. Ltd. as its Registrar and Share Transfer Agent (RTA) for handling share registry for both physical and electronic modes. Accordingly, all correspondence, share for transfer, transmission, demat / remat requests and other communication in relation thereto should be mailed /hand delivered to the said RTA directly at the following address:

ABS Consultant Pvt. Ltd.
(Unit : Mihika Industries Limited)
Room No. 99, 6th floor, Stephen House
4, B.B.D. Bag (East), Kolkata- 700 001

xiii. 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 is regular in complying with the requirements of the Stock Exchange, SEBI, RBI and other statutory authorities on all the relevant matters. There were no cases of penalties or strictures imposed on the Company by any Stock Exchange, 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 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 Listing 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 Directors and the senior management affirmed compliance with Code of Conduct for the year 2013-2014. A declaration to this effect is attached to this report. The Code of Conduct is available on the Company's website www.mihika.co.in.

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 dematerialized form are requested to please update their address/bank details with the respective DPs and in case of physical shares, the update details have to be intimated to the Registrar and Share Transfer Agent.

(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 has appointed Registrar & Transfer Agent and is in process of getting its share admitted for dematerialisation with both the depositories viz. NSDL and CDSL.

(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 in electronic mode, provided the Company has obtained email address of its members 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 Registrar and Share Transfer Agent, M/s ABS Consultant Pvt. Ltd.

(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
Website: www.mihika.co.in

ABS Consultant Pvt. Ltd.
(Unit: Mihika Industries Limited)
Room No. 99, 6th Floor
3 Stephen House
4 B.B.D Bag (East), Kolkata-700 001
Telephone: 033-22301043/ 033-22430153
E-mail: absconsultant@vsnl.net

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 expand 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 ADEQUACY

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.

CEO/CFO Certificate under Clause 49 (V)

To

The Board of Directors

Mihika Industries Limited

1. We have reviewed financial statements of **Mihika Industries Limited** ('the Company'), for the year ended 31st March 2014, and to the best of our knowledge and belief :
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal and violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintain internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control system pertaining to financial reporting.

We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and Audit Committee.
 - i. That there are no significant changes in internal control over financial reporting during the year
 - ii. That there are no significant changes in accounting policies during the year and
 - iii. That there are no instances of significant fraud of which we have become aware.

Place : Kolkata

Date : 30th May, 2014

KULDEEP KUMAR SETHIA
Chairman and Managing Director

CODE OF CONDUCT DECLARATION

To
The Members
Mihika Industries Limited

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, the Board Members and the members of the Senior Management Team of the Company have confirmed compliance with the Code of Conduct of the Company during the financial year ended 31st March, 2014.

Place : Kolkata
Date : 30th May, 2014

KULDEEP KUMAR SETHIA
Chairman and Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Mihika Industries Limited

We have examined the compliance of the terms and conditions of SEBI Corporate Governance Norms by Mihika Industries Limited for the financial year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance note on Certificate of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by "Institute of Chartered Accountants of India" and was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the terms and conditions of SEBI Corporate Governance Norms. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied in all material respects, with the terms and conditions of SEBI Corporate Governance as stipulated in above mentioned Clause 49 the 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 May 2014

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, 2014, 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 notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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 judgement, 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal Control. 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, 2014;
- 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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **J. GUPTA & CO.**

Chartered Accountants

Firm Reg. No. 314010E

JAI NARAYAN GUPTA

Partner

Membership No.051428

Dated the 30th day of May, 2014

Place: Kolkata

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

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

1. The company does not have any fixed assets during the year.
2. In respect of its inventories,
 - 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, 2014 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 undisputed statutory dues, not deposited by the company .
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 aken 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 not made any preferential allotment of shares during the year.
 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.

Dated the 30th Day of May, 2014
Place: Kolkata

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

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

S. No.	Particulars	Note	Figures as at 31/03/2014	Figures as at 31/03/2013
I. EQUITY AND LIABILITIES				
1. SHAREHOLDERS FUNDS				
	(a) Share Capital	2	10,00,00,000	10,00,00,000
	(b) Reserves & Surplus	3	14,71,57,116	14,70,64,657
			24,71,57,116	24,70,64,657
2. CURRENT LIABILITIES				
	(a) Other Current Liabilities	4	15,732	17,417
			15,732	17,417
	TOTAL(1+2)		24,71,72,848	24,70,82,074
II. ASSETS				
1. NON-CURRENT ASSETS				
	(a) Non Current Investments	5	91,77,129	–
	(b) Deferred Tax Asset (Net)	6	1,34,512	1,34,512
			93,11,641	1,34,512
2. CURRENT ASSETS				
	(a) Trade Receivable	7	19,83,255	19,09,363
	(b) Cash & Cash Equivalents	8	2,00,16,849	19,38,824
	(c) Short Term Loans & Advances	9	9,27,04,103	1,04,12,184
	(d) Other Current Assets	10	12,31,57,000	23,26,87,191
			23,78,61,207	24,69,47,562
	TOTAL(1+2)		24,71,72,848	24,70,82,074
	Summary of Significant Accounting Policies	1		
	Other Explanatory Information	17		
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, 2014

Place : Kolkata

For and on behalf of Board of Directors

KULDEEP KUMAR SETHIA, Chairman and Managing Director

MALI CHAND AGARWALA, Director

YASHWANT KUMAR GOYAL, Director

RAJESH SHAH, Director

VARSHA KHANDELWAL, Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

S. No.	Particulars	Note	For the year ended 31/03/2014	For the year ended 31/03/2013
I.	Revenue from Operations	11	43,55,760	1,18,58,693
II.	Other Income	12	11,84,998	4,19,092
III.	TOTAL REVENUE (I+II)		55,40,758	1,22,77,785
IV.	EXPENSES			
	Purchases of Stock-in-Trade	13	43,97,190	1,12,70,832
	Employee Benefits Expense	14	4,54,340	1,73,300
	Other Expenses	15	5,55,425	8,18,356
V.	TOTAL EXPENSES		54,06,955	1,22,62,488
VI.	PROFIT BEFORE TAX (III-V)		1,33,803	15,297
VII.	TAX EXPENSE			
	Current Tax		41,344	4,730
VIII.	PROFIT/ (LOSS) FOR THE PERIOD (VI-VII)		92,459	10,567
IX.	EARNING PER EQUITY SHARE	16		
	Basic		0.01	0.01
	Diluted		0.01	0.01
	Summary of Significant Accounting Policies	1		
	Other Explanatory Information	17		

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, 2014

Place : Kolkata

For and on behalf of Board of Directors

KULDEEP KUMAR SETHIA, Chairman and Managing Director

MALI CHAND AGARWALA, Director

YASHWANT KUMAR GOYAL, Director

RAJESH SHAH, Director

VARSHA KHANDELWAL, Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	Year ended 31/03/2014	Year ended 31/03/2013
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax & extra ordinary items	1,33,803	15,297
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows :-		
Interest on Loan	(11,84,998)	(4,19,092)
Operating profit/(loss) before working capital changes	(10,51,195)	(4,03,795)
Movements in working capital :-		
Trade Payable	-	(5,76,600)
Other Current Liabilities	(1,685)	(29,85,392)
Trade Receivables	(73,892)	(19,09,363)
Other Current Assets	10,95,30,191	(23,25,07,640)
Cash Generated/(used in) from Operation	10,84,03,419	(23,83,82,790)
Direct Taxes Paid	(41,344)	(4,730)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	10,83,62,075	(23,83,87,520)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(91,77,129)	-
Receipts from partnership firm	-	1,25,928
Increase/ (Decrease) in loans & Advances	(8,22,91,919)	(47,38,132)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(9,14,69,048)	(46,12,204)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of capital	-	24,39,98,250
Interest on Loan	11,84,998	4,19,092
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	11,84,998	24,44,17,342
Net Change In Cash & Cash Equivalents (A+B+C)	1,80,78,025	14,17,618
Cash & Cash Equivalents' Opening Balance	19,38,824	5,21,206
Cash & Cash Equivalents' at the end of the year	2,00,16,849	19,38,824
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash in hand	10,59,231	13,74,636
With bank :		
- In current account	1,89,57,618	5,64,188
- In deposit account	-	-
TOTAL CASH AND CASH EQUIVALENTS	2,00,16,849	19,38,824

Notes :

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3 as notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Sec. 133 of the Companies Act, 2013.
- 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, 2014

Place : Kolkata

For and on behalf of Board of Directors

KULDEEP KUMAR SETHIA, Chairman and Managing Director

MALI CHAND AGARWALA, Director

YASHWANT KUMAR GOYAL, Director

RAJESH SHAH, Director

VARSHA KHANDELWAL, Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES :

(A) Nature of operations :

The main business of the Company is that of Trading in Commodities and 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 as notified under Companies (Accounting Standards) Rules, 2006 and the 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 commodities and fabrics. Revenue from sale 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) 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.

(E) 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 with in the purview of the same in the year under review.

(F) Inventories :

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

(G) 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.

(H) 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 defered tax charges or credit (reflecting the tax effects of timing difference 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 recognized 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.

(I) 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 outflow of 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, 2014
 (FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014)

(Amount in ₹)

Note	Particulars	Figures as at 31/03/2014	Figures as at 31/03/2013
2.	SHARE CAPITAL :		
	(1) Authorised		
	10000000 Equity Shares of Rs.10/- each	<u>10,00,00,000</u>	<u>10,00,00,000</u>
		<u>10,00,00,000</u>	<u>10,00,00,000</u>
	(2) Issued, Subscribed & Paid Up		
	10000000 Equity Shares of Rs.10/-each	<u>10,00,00,000</u>	<u>10,00,00,000</u>
		<u>10,00,00,000</u>	<u>10,00,00,000</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	10000000	10,00,00,000	240070	24,00,700
Add: Additional Equity Shares issued during the year	-	-	9759930	9,75,99,300
Less: Shares forfeited/bought back during the year	-	-	-	-
No. of Equity Shares outstanding at the end of the year	<u>10000000</u>	<u>10,00,00,000</u>	<u>10000000</u>	<u>10,00,00,000</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%	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 preceding 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>4,85,000</u>	4,85,000
Additions during the year	<u>-</u>	<u>-</u>
At the end of the year	<u>4,85,000</u>	<u>4,85,000</u>
b) SECURITIES PREMIUM ACCOUNT		
At the Beginning of the Year	<u>14,63,98,950</u>	-
Additions during the year	<u>-</u>	<u>14,63,98,950</u>
At the end of the year	<u>14,63,98,950</u>	<u>14,63,98,950</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014
 (FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014)

(Amount in ₹)

Note	Particulars	Figures as at 31/03/2014		Figures as at 31/03/2013	
3.	RESERVE & SURPLUS : (Contd.)				
	c) SURPLUS				
	At the Beginning of The Year		1,80,707		1,70,140
	Add : Net Profit for the year		92,459		10,567
	At the end of the Accounting Period		2,73,166		180,707
	TOTAL (a+b+c)		14,71,57,116		14,70,64,657
4.	OTHER CURRENT LIABILITIES :				
	Outstanding Liabilities		15,732		17,417
			15,732		17,417
5.	NON CURRENT INVESTMENT :				
	Long Term, At Cost, Non-Trade				
	Equity Instruments (Quoted)	Face Value	Quantity	Amount	Quantity
	Gokaldas Exports Ltd.	5/-	41,000	22,21,311	-
	MMTC Limited	1/-	1,00,000	47,03,818	-
	Total (a)		1,41,000	69,25,129	-
	Bonds				
	HUDCO-8.2% Tax Free Bonds	1000/-	925	9,25,000	-
	IRFC- 8.1% Tax Free Bonds	1000/-	408	4,08,000	-
	REC -8.12% Tax Free Bonds	1000/-	919	9,19,000	-
	Total (b)		2,252	22,52,000	-
	TOTAL (a+b)		1,43,252	91,77,129	-
	Aggregate market value of Quoted Investments		98,27,732		-
6	DEFERRED TAX ASSETS (NET) :				
	Carried Forward Losses		1,34,512		1,34,512
			1,34,512		1,34,512
7	TRADE RECEIVABLES :				
	Trade receivables exceeding six months		19,83,255		-
	Others - Unsecured, Considered good		-		19,09,363
			19,83,255		19,09,363

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014
 (FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014)

(Amount in ₹)

Note	Particulars	Figures as at 31/03/2014	Figures as at 31/03/2013
8	CASH & CASH EQUIVALENTS :		
	Balance with Bank in Current Account	1,82,07,618	5,64,188
	Cheque in hand	7,50,000	-
	Cash on hand	10,59,231	13,74,636
		<u>2,00,16,849</u>	<u>19,38,824</u>
9	SHORT TERM LOANS & ADVANCES :		
	Loans (Unsecured, considered good)		
	To others	9,25,71,821	1,03,00,000
	Advances :		
	TDS Receivable	1,12,184	17,112
	TDS for the year	61,442	99,802
	Less : Provision for Taxation	<u>41,344</u> <u>20,098</u>	<u>4,730</u> <u>95,072</u>
		<u>9,27,04,103</u>	<u>1,04,12,184</u>
10	OTHER CURRENT ASSETS :		
	Other Debts	12,31,57,000	23,25,42,000
	Interest Accrued and Due	-	1,45,191
		<u>12,31,57,000</u>	<u>23,26,87,191</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014
 (FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014)

(Amount in ₹)

Note	Particulars	Figures as at 31/03/2014	Figures as at 31/03/2013
11	REVENUE FROM OPERATION :		
	Sales	43,55,760	1,12,79,792
	Other Operating income:		
	Commission	–	5,78,901
	Net Revenue From Operations	43,55,760	1,18,58,693
12	OTHER INCOME :		
	Interest on Loan	11,84,998	4,19,092
		11,84,998	4,19,092
13	PURCHASES OF STOCK-IN-TRADE :		
	Purchases	43,97,190	1,12,70,832
		43,97,190	1,12,70,832
14	EMPLOYEE BENEFITS EXPENSE :		
	Salary	3,96,800	1,73,300
	Staff Welfare	57,540	–
		4,54,340	1,73,300
15	OTHER EXPENSES :		
	Advertisement Expense	21,680	9,840
	Auditors' Remuneration		
	For Statutory Audit	11,236	5,618
	For Tax Audit	–	2,809
	For Others	4,496	8,990
	Books & Periodicals	15,600	7,220
	Conveyance	25,896	16,675
	Fees To Stock Exchanges	26,750	14,750
	Filing Fees	6,500	4,59,500
	General Expenses	1,59,549	1,02,910
	Professional Expenses	42,700	14,994
	Miscellaneous Expenses	83,897	67,340
	Office Maintainance Expenses	42,300	19,730
	Postage & Courier Exp.	36,780	30,710
	Printing & Stationery	32,850	25,780
	Rates & Taxes	5,000	5,000
	Telephone Expenses	22,491	15,740
	Travelling Expenses	17,700	10,750
		5,55,425	8,18,356

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014
(FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014)

(Amount in ₹)

Note	Particulars	Figures as at 31/03/2014	Figures as at 31/03/2013
16	EARNING PER SHARE (EPS)		
	Profit attributable to Equity Shareholders (A)	92,459	10,567
	Weighted average no. of Equity Shares (B)	1,00,00,000	12,56,172*
	Basic and Diluted EPS (A/B)	0.01	0.01
	Face Value of Equity Shares	10.00	10.00
	*(9759930 equity shares have been allotted on 22.02.2013)		

17. (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.

Key Management Personnel : Kuldeep Kumar Sethia

b) Transactions with related parties during the year :

(In Rupees)

Nature of Transaction	Nature of Relationship	Amount	
		31-Mar-14	31-Mar-13
Remuneration Paid	Key Management Personnel	1,80,000	-
Receipt on a/c of Preferential Issue	Associates	-	6,00,00,000

(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 elected to publish quarterly financial results which were reviewed by the statutory auditors.

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

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

(G) 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, 2014

Place : Kolkata

For and on behalf of Board of Directors

KULDEEP KUMAR SETHIA, Chairman and Managing Director

MALI CHAND AGARWALA, Director

YASHWANT KUMAR GOYAL, Director

RAJESH SHAH, Director

VARSHA KHANDELWAL, Company Secretary

[TEAR HERE]

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 rule 19(3) of the Companies (Management and Administration) Rules, 2014]

MIHIKA INDUSTRIES LIMITED

CIN : L70101WB1983PLC035638

Regd. Office: 3, Bentinck Street, 2nd Floor, Kolkata - 700 001

Phone : (033) 65366663; E-mail : mihikaindustries@gmail.com; Website : www.mihika.co.in

1. Name(s) of the sole/ first named Member :
2. Registered Address :
3. Name(s) of the Joint-Holder(s)if any :
4. E-mail ID :
5. a) Registered Folio No. :
- b) DP ID No. & Client ID No. :
(Applicable to Members holding Shares in Dematerialised form) :

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

- 1) Name : Address :
E-mail ID : Signature: or falling him
- 2) Name : Address :
E-mail ID : Signature: or falling him
- 3) Name : Address :
E-mail ID : Signature: or falling him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on Tuesday, the 30th September, 2014 at 1.00P.M. at 3, Bentinck Street , 2nd Floor, Kolkata - 700001 and at any adjournment thereof in respect of such resolution as are indicated below :

Resolutions	Optional*	
	For	Against
1. To receive, consider and adopt Audited Financial Statements for the financial year ended 31st March 2014 together with the Directors' Report and Auditors' Report thereon.		
2. Appointment of Auditors and fixing their remuneration		
3. Appointment of Mr. Kuldeep Kumar Sethia as Managing Director		
4. Appointment of Mr. Rajesh Shah as a Director		

Signed this _____ day of _____ 2014
Signature of the shareholder _____

Affix
Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. For the resolution, explanatory statements and Notes, please refer to the Notice of 31st Annual General Meeting.
3. *It is optional to put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission.

MIHIKA INDUSTRIES LIMITED

CIN : L70101WB1983PLC035638

Regd. Office: 3, Bentinck Street, 2nd Floor, Kolkata - 700 001

Phone : (033) 65366663; E-mail : mihikaindustries@gmail.com; Website : www.mihika.co.in

ASSENT/DISSENT FORM

- [TEAR HERE]
1. Name(s) of the sole/ first named Member :
 2. Registered Address :
 3. Name(s) of the Joint-Holder(s)if any :
 4. a) Registered Folio No. :
b) DP ID No. & Client ID No. :
(Applicable to Members holding Shares in Dematerialised form)
 5. Number of Share(s) held :
 6. I/We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice dated 7th August 2014 of the 31st Annual General Meeting scheduled to be held on 30th September 2014, by conveying my/our assent or dissent to the resolutions by placing tick (✓) mark in the appropriate box below :

Resolutions	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1. To receive, consider and adopt Audited Financial Statement for the financial year ended 31st March 2014 together with the Directors' Report and Auditors' Report thereon.			
2. Appointment of Auditors and fixing their remuneration			
3. Appointment of Mr. Kuldeep Kumar Sethia as Managing Director			
4. Appointment of Mr. Rajesh Shah as a Director			

Place :

Date :

Notes :

- i. If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
- ii. Last date for receipt of Assent/ Dissent Form: 25th September 2014(6.00 p.m)
- iii. Please read the instruction printed overleaf carefully before exercising your vote.

Signature of the Member
Or
Authorised Representative

INSTRUCTIONS

General Instructions

1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent/dissent in physical form. If a shareholder has opted for Physical Assent/ Dissent Form, then he/she should not vote by e-voting and vice-versa. However, in case Shareholder cast their vote through both physical assent/dissent form and e-voting, then vote cast through physical assent/dissent shall be considered, subject to assent/dissent form being found to be valid and vote cast through e-voting shall be treated as invalid.
2. The notice of Annual General Meeting is dispatched/e-mailed to the members whose name appear on the Register of Members as on 8th August 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent/dissent form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorized representative with proof of their authorization, as stated below.

Instruction for voting physically on Assent/ Dissent Form

1. A Member desiring to exercise vote by Assent/ Dissent Should complete this form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer Mr. Santosh Kumar Singh, A Practicing Chartered Accountants and same at their cost to reach the Scrutinizer at the registered office of the Company on or before the close of working hours i.e. 6.00 p.m. on 25th September 2014. All forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This form should be completed and signed by the Shareholder(as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this form should be completed and signed by the first name Shareholder and in his absence, by the next named shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies etc.) the completed Assent/ Dissent form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the Column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the form in indelible ink and avoid filling it by using erasable writing medium(s) link pencil.
6. There will be one Assent/ Dissent Form for every Folio/ Client id irrespective of the number of joint holders.
7. A Member may request for a duplicate Assent/ Dissent Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Assent/ Dissent Form. They are also requested not to write anything in the Assent/ Dissent Form excepting giving their assent/ dissent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.
9. The Scrutinizer's decision on the validity of the Assent/ Dissent Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Assent/ Dissent Forms will be rejected.

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Kolkata -700 001