



Mid India Industries Limited

Regd. Office : Textile Mill Area,
Mandsaur - 458 001 (M.P.) India

Board of Directors

Shree Pradeep Ganediwal, **Managing Director**
 Shree Pradyumn Ganediwal, **Director**
 Shree Shankar Prasad Mansinghaka, **Director**
 Shree Shreeram Singh, **Director**
 Shree Aneet Jain, **Director**

Registered Office & Works

Textile Mill Area
 Mandsaur - 458 001 (M.P.)

Corporate Office

2/3, New Palasia
 Pt. Ramnarayan Shastri Marg
 Indore - 452 001 (M.P.)

Audit Committee of the Board

Shree Shreeram Singh, **Chairman**
 Shree Aneet Jain
 Shree Shankar Prasad Mansinghaka

Auditors

M/s. Kamal Nayan Singhal & Company
 Chartered Accountants
 55, Murai Mohalla
 Indore - 452 001

Share Holder's / Investor's Grievance

Committee of the Board

Shree Aneet Jain, **Chairman**
 Shree Shreeram Singh
 Shree Shankar Prasad Mansinghaka

Cost Auditor

M/s. K.G. Goyal & Co.
 Cost Accountants
 8, Chitragupta Nagar I,
 Jyoti Nagar Railway Crossing,
 Jaipur 302 005

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Registrar & Transfer Agent

M/s. Ankit Consultancy Pvt. Ltd.,
 2nd Floor, Alankar Point,
 Indore - 452 001 (M.P.)

Bankers

Dena Bank

ANNUAL GENERAL MEETING

On Friday, 30th September, 2005
 at 11.00 a.m. at Textile Mill Area,
 Mandsaur (M.P.)

As a measure of economy, copies of the
 Annual Report will not be distributed
 at the Annual General Meeting.
 Shareholders are requested to kindly
 bring their copies to the meeting

Annual Report for the year ended 31-03-2005



NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of MID INDIA INDUSTRIES LIMITED will be held on Friday the 30th day of September, 2005 at Registered Office of the Company at Textile Mill Area, Near Railway Station, Mandsaur (M.P.) at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 2005 and the Balance Sheet as on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Pradyumn Ganediwal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Shreeram Singh who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the company and to fix their remuneration.

For and on behalf of the Board

Place : MANDSAUR

(PRADEEP GANEDIWAL)

Dated : 17/08/2005

Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxies in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 28th September, 2005 to Thursday, the 29th September, 2005 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report with them for meeting.
5. The Company has entered into agreements with NSDL and CDSL for dematerialisation of its shares. The members are requested to take the benefit of the same.



Mid India Industries Limited

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED FOR 30TH SEPTEMBER, 2005

Name of Director	PRADYUMN GANEDIWAL	SHREERAM SINGH
Date of Birth	20.07.1965	05.10.1944
Date of Appointment	19.03.1991	30.04.2002
Qualification	B. Com.	B.A., L.L.B.
Expertise in Specific Functional Area	12 Years Experience in Textile Industries	Worked in MPSTC as a Cotton Selector & Purchase Officer
List of Companies in which outside Directorship held*	Mid India International Limited	NIL
Chairman/Member of the Committee of Board of Directors of the Companies	NIL	Mid India Industries Limited. a. Audit Committee b. Shareholder Grievance Committee

* Excluding Private Limited Companies.

DIRECTORS' REPORT

Your Directors have pleasure in presenting Fourteenth Annual Report on the business and operations with Audited Statement of Accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS

Particulars	(Rs. in Lacs)	
	01/04/2004 to 31/03/2005	01/01/2003 to 31/03/2004
Turnover and Other Income	1144.12	702.40
Profit/(Loss) before Interest and Depreciation	130.58	41.40
Interest	—	—
Profit/(Loss) after Interest but before Depreciation	130.58	41.40
Depreciation	105.54	232.67
Net Profit/(Loss) from Operation	25.03	(191.27)
Provision Written Back	—	8.18
Bank Liabilities Written off under OTS	—	790.79
Net Profit/(Loss)	25.03	607.70

Annual Report for the year ended 31-03-2005**OPERATIONS**

The company has performed better in the year. Under review it has improved its working resulting in enhanced production of 12.10 lacs Kgs of yarn as against 6.47 lacs Kgs of 15 months period ended as on 31st March, 2004. The turnover has increased to Rs. 1144.12 lacs as against Rs. 702.40 lacs of the last year consisting 15 months period. It has earned net profit of Rs 25.03 lacs after providing for depreciation.

100% EOU STATUS

The demand of yarn in the domestic market has improved substantially at the same time the Government has curtailed concession facilities provided to the 100% Export Oriented Units. In view of availability of the local market of yarn, it has decided for debonding and applied for surrender of 100% EOU Licence.

The company has been granted the permission and it is no longer enjoying the 100% EOU status. It has complied with all obligations for such conversion and there is no liability pending in this respect.

DIVIDEND

In view of the carry forward losses of the company, the Directors regret their inability to recommend any dividend.

DIRECTORS

In accordance with provisions of Companies Act, 1956 and Company's Articles of Association Shri Pradyumn Ganediwal and Shri Shreeram Singh retire by rotation and are eligible for reappointment.

CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Director's Report and the certificate from the Company's Auditors confirming the compliance of conditions on Corporate Governance as stipulated in Clause 49 of the listing agreement is included in the Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, you Directors state as under :

- (i) That in the preparation of Annual Accounts, the applicable accounting standards have been followed and there has been no material departure;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end to the financial year and of the loss of the Company for that period;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for prevention and detecting fraud and other irregularities to the best of their knowledge and ability;
- (iv) That the Directors have prepared the Annual Accounts on a going concern basis.



AUDITORS

M/s Kamal Nayan Singhal & Co., Statutory auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The Company has received certificate from Auditor to the effect that their appointment, if made, would be within the prescribed limit under Section 224(1-B) of the Companies Act, 1956.

AUDITORS OBSERVATIONS

The observations of the Auditors as referred to in the Auditors' Report are suitably explained in the Notes to the Accounts.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 is not applicable as there is no employee coming under the provision of Section 217(2A) of the Act.

INDUSTRIAL RELATIONS

The directors are happy to report that the company had harmonious industrial relations at all levels of organisation. It will be the endeavor of the company to continue to maintain good industrial climate.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOINGS.

In term of Section 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the report of Board of Directors) :

1. Conservation of energy :

Power & Fuel consumption :	01/04/04 to 31/03/05	01/01/03 to 31/03/04
(a) Electricity :		
Purchased :		
Unit (Kwh)	3313925	2593315
Total Amount (Rs.)	14448979	12204705
Rate per Unit (Rs./Kwh)	4.36	4.71
(b) Consumption per Unit of production :		
Production (Kgs.)	1210190	647250
Electricity (Kwh/Kg.)	2.74	4.00

2. Technology absorption

The plant do not require any specific technology

Annual Report for the year ended 31-03-2005



3. Foreign Exchange earnings/outgo (Rs. in lakhs)

	01/04/04 to 31/03/05	01/01/03 to 31/03/04
(a) Foreign Exchange earned		
i) Sale of Yarn	—	8.90
ii) Other Income	68.91	169.38
(b) Foreign Exchange used		
i) Foreign Travel Expenses	7.32	4.32
ii) Stores & Spares	0.52	—

APPRECIATION

Your Directors would take this opportunity to place on record their profound appreciation for the pains taking efforts made by the Officers, staff and workers of the company. The directors also wish to express their sincere appreciation to valued clients, bankers, Government Departments and Shareholders for their continued support.

for and on behalf of the Board

MANDSAUR.
17/08/2005

(PRADEEP GANEDIWAL)
CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance as required under Clause 49 of the Listing Agreement for the year ended 31st March, 2005 is set out below :

1. Company's Philosophy on Corporate Governance :

The Company views sound Corporate Governance as an integral part of its efforts to enhance shareholders' value. The Company endeavors to safeguard the interests of investors, customers, suppliers and lenders to build the confidence of the society in general.

2. Board of Directors :

During the period 7 meetings of the Board were held on 28.04.04, 11.05.04, 26.07.04, 25.08.04, 28.10.04, 27.01.05 and 21.03.2005.

The Particulars of Directors are as follows:-

Name of Director	Category of Directorship and Promoter	No. of Meetings attended	No. of other Directorship	Committee Membership
Shri Pradeep Ganediwal	Promoter & M.D.	5	2	-
Shri Pradyumn Ganediwal	Promoter & Director	2	2	-
Shri S. P. Mansinghka	Director	3	1	2
Shri Shreeram Singh	Director	7	1	2
Shri Aneet Jain	Director	7	1	2



3. Audit Committee :

The Audit Committee consists of following Directors :-

1. Shri Shriram Singh - Chairman
2. Shri Aneet Jain
3. Shri S.P. Mansinghka

All the members are independent and possess sound knowledge of finance, accounting and company law. The functions of Audit Committee are as per Company Law and Listing Agreement with Stock Exchanges. These include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies. The Committee met 4 times during the period. The attendance record of the members the Committee is as under:

Shri Shriram Singh	- Attended 4 meetings
Shri Aneet Jain	- Attended 4 meetings
Shri S.P. Mansinghka	- Attended 1 meetings

4. Remuneration of Directors :

The Company has not constituted a Remuneration Committee. The Company does not pay any remuneration to the Managing Director or any Director of Board.

5. Shareholders'/Investors' Grievances Committee :

The Company has constituted a Shareholders'/Investors' Grievance Committee. The Members of the committee are as under:

1. Shri Aneet Jain - Chairman
2. Shri Shriram Singh
3. Shri S.P. Mansinghka

The committee is to oversee the effective redressal of the complaints of the Shareholders/Investors. The committee may recommend steps to be taken for further improvement in the quality of service to the investors. The Registrar & Transfer Agent has sent replies to shareholders in respect of all complaints received during the period. There were no valid request pending for transfer of shares ending as on 31-03-2005.

6. General Body Meetings :

Year Ending	Date of A.G.M.	Location	Time
31-12-2001	04-04-2002	Mandsaur	3.00 P.M.
31-12-2002	20-06-2003	Mandsaur	3.00 P.M.
31-03-2004	30-09-2004	Mandsaur	9.00 A.M.

No special resolutions were passed through postal ballot in the last AGMs. No special resolutions requiring postal ballot are placed before the shareholders for approval at the forthcoming AGM.

Annual Report for the year ended 31-03-2005**7. Disclosures :**

- (a) **Material related party transactions:** During the period, there were no such transactions of material nature with its promoters, the directors or the management, their subsidiaries or relatives etc. which may have potential conflict with the interests of the company at large
- (b) **Details of non compliance:** There were no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.
- (c) Auditors Certificate on corporate governance is enclosed herewith.

8. Means of Communication :

The Company communicates with the shareholders through its annual reports, quarterly results and by filing of various returns with statutory bodies like stock exchanges and the Registrar of Companies.

9. General Shareholders' Information :**(a) Annual General Meeting :**

Date & Time : 30-09-2005 at 11.00 a.m.
 Day : Friday
 Venue : Textile Mill Area, Near Railway Station, Mandsaur (M.P.)

(b) Financial Calendar :

Results for the quarter ending 30-06-2005: July, 2005.
 Results for the quarter ending 30-09-2005: October, 2005.
 Results for the quarter ending 31-12-2005: January, 2006.
 Results for the quarter ending 31-03-2006: April, 2006.

(c) Date of Book Closure: From 28-09-2005 to 29-09-2005**(d) Listing on Stock Exchanges:**

1. The Stock Exchange, Mumbai
2. The Delhi Stock Exchange Assn. Ltd., New Delhi
3. The Stock Exchange, Ahmedabad
4. M.P. Stock Exchange, Indore

(e) Stock Code

BSE 500277

(f) Connectivity No. with

NSDL : ISIN INE401CO1018 dt. 17-11-2000
 CDSL : ISIN INE401CO1018 dt. 21-11-2000