

20th
ANNUAL
REPORT
2010-11



Mid India Industries Limited

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

Board of Directors

Shri Pradeep Ganediwal, **Managing Director**

Shri Pradyumn Ganediwal, **Director**

Shri Shreeram Singh, **Director**

Shri Aneet Jain, **Director**

Shri Ajay Kumar Dubey, **Director**

Shri Rakesh Kumar Jain, **Director**

Audit Committee of the Board

Shri Shreeram Singh, **Chairman**

Shri Aneet Jain

Shri Ajay Kumar Dubey

Share Holder's / Investor's Grievance Committee of the Board

Shri Aneet Jain, **Chairman**

Shri Shreeram Singh

Shri Ajay Kumar Dubey

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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.)

Auditors

M/s.Kamal Nayan Singhal & Company

Chartered Accountants

55, Murai Mohalla

Indore - 452 001

Cost Auditor

M/s. K.G. Goyal & Co.

Cost Accountants

8, Chitragupta Nagar I,

Jyoti Nagar Railway Crossing,

Jaipur 302 005

Registrar & Transfer Agent

M/s. Ankit Consultancy Pvt. Ltd.,

(Unit : Mid India Industries Ltd.)

Plot No. 60, Electronic Complex

Pardeshipura,

Indore - 452 010 (M.P.)

ANNUAL GENERAL MEETING

On Friday, 30th September, 2011

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.



NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of MID INDIA INDUSTRIES LIMITED will be held on Friday the 30th day of September, 2011 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, 2011 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 Shreeram Singh**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the company to hold the office from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
“RESOLVED THAT **Shri Rakesh Kumar Jain**, who was co-opted by the Board as an Additional Director with effect 1st June, 2011 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received the notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a director of the Company, liable to retire by rotation.”

For and on behalf of the Board

Place : Indore
Dated : 22/08/2011

(PRADEEP GANEDIWAL)
Chairman

NOTES :

1. 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 day of September, 2011 to Thursday, the 29th day of September, 2011 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report with them for meeting.

EXPLANATORY STATEMENT:

The following explanatory statement relating to the Special Business No. 4 of the accompanying notice sets out all material facts as required under section 173 of the Companies Act, 1956.

Item No. 4

The Board of Directors in its meeting held on 1st June, 2011 had appointed Shri Rakesh Kumar Jain as an Additional Non-Executive Independent Director of the Company in terms of Section 260 of the Companies Act' 1956 to hold the office only up to the date of ensuing Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company proposing candidature of Shri Rakesh Kumar Jain for the office of Director of the Company, liable to retire by rotation.



The Board of Directors recommends for your approval for the appointment of Shri Rakesh Kumar Jain as Director of the Company.

None of the Directors except Shri Rakesh Kumar Jain is concerned or interested in the resolution.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED FOR 30TH SEPTEMBER, 2011.

Name of Director	SHREERAM SINGH	RAKESH KUMAR JAIN
Date of Birth	05th October, 1944	27th October, 1967
Date of Appointment	30th April, 2002	1st June, 2011
Qualification	B.A., L.L.B.	M.Com.
Expertise in Specific Functional Area	Worked in MPSTC as a Cotton Selector & Purchase Officer	Accounts & Finance
List of Companies in which outside Directorship held*	-	-
Chairman/Member of the Committee of Board of Directors of the Companies	Mid India Industries Limited a. Audit Committee b. Shareholder's Grievances Committee	-

* Excluding Private Limited Companies.

DIRECTORS' REPORT

Your Directors have pleasure in presenting Twentieth Annual Report on the business and operations with Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

(₹ in Lacs)

Particulars	01/04/2010 to 31/03/2011	01/04/2009 to 31/03/2010
Turnover and Other Income	3348.87	2582.57
Profit/(Loss) before Interest and Depreciation	41.98	105.72
Interest	0.93	0.61
Profit/(Loss) after Interest but before Depreciation	41.04	105.11
Depreciation	29.83	30.24
Net Profit/(Loss) from Operation	11.21	74.87

OPERATIONS

During the year under review the company has achieved turnover of ₹ 3348.87 lacs as compared to ₹ 2582.57 lacs in the previous year. The profit after tax stood at ₹ 11.21 lacs as compared to ₹ 74.87 lacs in the previous year.



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 Shree Ram Singh retire by rotation and is eligible for reappointment.

Your Directors are please to report that during the year under review, Shri Rakesh Kumar Jain was co-opted as an Additional Director. Shri Rakesh Kumar Jain, hold office U/s 260 of the Companies Act' 1956, only upto conclusion of this Annual General Meeting and as such, his candidature for directorship is being propose at this Annual General Meeting.

Shri Pradyumn Ganediwal resigned from the Board with effect from 1st June, 2011. The Board placed on record its deep sense of appreciation for the valuable contribution made by Shri Pradyumn Ganediwal.

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, your 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 there 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 preview 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):

Particulars	01/04/2010 to 31/03/2011	01/04/2009 to 31/03/2010
1. Conservation of Energy		
Power & Fuel consumption:		
(a) Electricity Purchased:		
Unit (Kwh)	7294408	6578365
Amount (Rs.)	34148526	28698173
Rate per Unit (Rs./Kwh)	4.68	4.36
(b) Consumption per Unit of Production:		
Production (Kgs.)	1941985	2114854
Electricity (Kwh/Kg.)	3.76	3.11
2. Technology absorption		
The plant do not require any specific technology		
3. Foreign Exchange earnings/outgo (Rs. in lacs)		
(a) Foreign Exchange earned		
I.) Sales	348.06	285.15
ii) Other Activities	110.50	114.75
(b) Foreign Exchange Used		
i) Purchase of Raw Material	0	0
ii) Stores & Spares	0	0



APPRECIATION

Your Directors would take this opportunity to place on record their 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

Place: Indore

Dated: 22/08/2011

(PRADEEP GANEDIWAL)

Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The company is engaged in manufacturing and marketing of different types of Cotton Yarn. There has been growing demand of the products manufactured by your Company.

HIGHLIGHTS OF PERFORMANCE

The same has been given in the Directors Report under the heading of 'FINANCIAL RESULTS' and 'OPERATIONS'.

OPPORTUNITIES AND THREATS/ RISK AND CONCERNS

With the opening of international market of textiles & yarn there are vast opportunities for the products of the Company. There are some threats from the global competitors.

INTERNAL CONTROL SYSTEM

The Company has proper internal control system which provides adequate safeguard and effective monitoring of the transactions.

HUMAN RESOURCES

Various initiatives have been taken to enhance the skills, knowledge and competency of the employees. The industrial relations remained harmonious throughout the year.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could influence the Company's operations include competition, government policies and regulations.



REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance as required under Clause 49 of the Listing Agreement for the year ended 31st March, 2011 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 year seven Board meetings were held, against the minimum requirement of four meetings. The Company has held at least one Board meeting in every three months. The details of the Board meetings are as under:

Sr.No.	Date	Board Strength	No. of Directors Present
1.	14th May, 2010	5	3
2.	7th August, 2010	5	3
3.	23rd August, 2010	5	4
4.	30th September, 2010	5	4
5.	1st November, 2010	5	3
6.	16th December, 2010	5	3
7.	11th February, 2011	5	3

Attendance of Directors at Board meetings, last Annual General Meetings and number of other Directorship and Chairmanships/ Memberships of Committees of each Director in various companies:

Name of Director	Attendance of meetings during 2010-11		No. of other Directorship(s)	Committee Membership
	Board Meetings	Last AGM		
Shri Pradeep Ganediwal, Managing Director	3	Yes	2	Nil
Shri Pradyumn Ganediwal Promoter & Director	Nil	No	2	Nil
Shri Shree Ram Singh	7	Yes	1	2
Shri Aneet Jain	7	Yes	1	2
Shri Ajay Kumar Dubey	6	Yes	Nil	2

3. Audit Committee:

The Audit Committee of the Board comprises three independent directors namely Shri Shriram Singh – Chairman, Shri Aneet Jain and Shri Ajay Kumar Dubey. 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 attendance record of the members of Committee is as under:

Name of the Committee Member	No. of meetings held	No. of meetings attended
Shri Shree Ram Singh	4	4
Shri Aneet Jain	4	4
Shri Ajay Kumar Dubey	4	4

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 Audit Committee of the Board comprises three independent directors namely Shri Aneet Jain – Chairman, Shri Shreeram Singh and Shri Ajay Kumar Dubey

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 was no valid request pending for transfer of shares ending as on 31-03-2011.

6. General Body Meetings:

The Annual General Meetings of the Company during the preceding three years were held at its Registered Office at Textile Mill Area, Mandsaur - 458 001.

Year Ending	Date of A.G.M.	Time
31-03-2008	30-09-2008	11.00 A.M.
31-03-2009	30-09-2009	11.00 A.M.
31-03-2010	30-09-2010	11.00 A.M.

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

7. Disclosures:

(a) Related party transactions: Details of transactions with related parties as specified in Accounting Standard have been reported in notes to the account under para (11). There is no materially significant transactions with the related party, which may have potentials conflict with the interest 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.