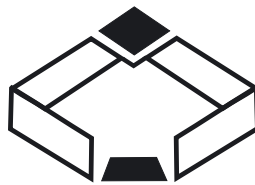


<b>22<sup>nd</sup></b>
<b>ANNUAL</b>
<b>REPORT</b>
<b>2012-13</b>



**Mid India Industries Limited**

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

## **Board of Directors**

Shri Amrish Gupta, **Managing Director**

Shri Pradeep Ganediwal, **Director**

Shri Shreeram Singh, **Director**

Shri Aneet Jain, **Director**

Shri Rakesh Kumar Jain, **Director**

Shri Dharmprakash Shrivastav, **Director**

## **Audit Committee of the Board**

Shri Shreeram Singh, **Chairman**

Shri Aneet Jain

Shri D.P. Shrivastav

## **Director's Remuneration Committee**

Shri D.P. Shrivastav, **Chairman**

Shri Shreeram Singh,

Shri Aneet Jain

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

Shri Aneet Jain, **Chairman**

Shri Shreeram Singh

Shri D.P. Shrivastav

## **CONTENTS**

Notice	1
Director's Report	2
Management Discussion & Analysis Report	5
Report on Corporate Governance	5
Auditor's Report	11
Annexure to the Auditor's Report	12
Balance Sheet	14
Profit & Loss Statement	15
Notes	16
Cash Flow Statement	27
Proxy Form	29
Attendance Slip	29

## **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. KVNG & Associates

Chartered Accountants

55, Murai Mohalla

Indore - 452 001

## **Cost Auditor**

M/s. M. 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 Monday, 30th September, 2013

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 Twenty Second Annual General Meeting of MID INDIA INDUSTRIES LIMITED will be held on Monday the 30th day of September, 2013 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, 2013 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 a Director in place of **Shri Rakesh Kumar Jain**, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.

For and on behalf of the Board

Place : Mandsaur  
Dated : 31/08/2013

(AMRISH GUPTA)  
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 Friday, the 27th day of September, 2013 to Saturday, the 28th day of September, 2013 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report with them for meeting.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED FOR 30TH SEPTEMBER, 2013

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	-	-



## **DIRECTORS' REPORT**

Your Directors have pleasure in presenting Twenty Second Annual Report on the business and operations with Audited Statement of Accounts for the year ended 31st March, 2013.

### **FINANCIAL RESULTS**

**(₹ in Lacs)**

<b>Particulars</b>	<b>01/04/2012 to 31/03/2013</b>	<b>01/04/2011 to 31/03/2012</b>
Turnover and Other Income	4174.40	2746.20
Profit/(Loss) before Interest and Depreciation	56.56	55.40
Interest	8.27	13.78
Profit/(Loss) after Interest but before Depreciation	48.29	41.62
Depreciation	28.67	28.66
Net Profit/(Loss) from Operation	19.62	12.96

### **OPERATIONS**

During the year under review the company has achieved turnover of ₹ 4174.40 lacs as compared to ₹ 2746.20 lacs in the previous year. The profit before tax stood at ₹ 19.62 lacs as compared to ₹ 12.96 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 Shreeram Singh and Shri Rakesh Kumar Jain retire by rotation and is eligible for reappointment.

Shri Amrish Gupta has been appointed as Managing Director of Company at the Extra Ordinary General Meeting held on 25th May, 2013 for a period of 5 years w.e.f. 1st June, 2013.

### **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 & Company, Statutory Auditors of the Company merged with M/s K V N G & Associates Chartered Accountants Firm with effect from 1st May, 2013 vide letter dated 22/05/2013 issued by The Institute of Chartered Accountants of India. M/s KVNG & Associates have been appointed as Statutory Auditors of the Company at the Extra Ordinary General Meeting held on 25th May, 2013.

M/s K V N G & Associates, Statutory auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for 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 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	01/04/2012 to 31/03/2013	01/04/2011 to 31/03/2012
<b>1. Conservation of Energy</b>		
Power & Fuel consumption:		
(a) Electricity Purchased:		
Unit (Kwh)	6525080	6039340
Amount ( ₹ )	37943688	32960066
Rate per Unit ( ₹/Kwh)	5.81	5.45
(b) Consumption per Unit of Production:		
Production (Kgs.)	1917358	1507806
Electricity (Kwh/Kg.)	3.40	4.01
<b>2. Technology absorption</b>		
The plant do not require any specific technology		
<b>3. Foreign Exchange earnings/outgo ( ₹ in lacs)</b>		
(a) Foreign Exchange earned		
i) Sales	863.77	359.99
ii) Other Activities	82.00	118.50
(b) Foreign Exchange Used		
i) Purchase of Raw Material	52.99	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 : Mandsaur  
Dated : 31/08/2013

(AMRISH GUPTA)  
Managing Director

(SHREERAM SINGH)  
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, 2013 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 nine 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, 2012	5	4
2.	20th June, 2012	5	4
3.	30th June, 2012	5	4
4.	20th July, 2012	5	4
5.	14th August, 2012	5	4
6.	1st September, 2012	5	5
7.	29th September, 2012	5	5
8.	9th November, 2012	5	4
9.	5th February, 2013	5	4

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 2012-13		No. of other Directorship(s)	Committee Membership
	Board Meetings	Last AGM		
Shri Pradeep Ganediwal	6	Yes	2	Nil
Shri Shreeram Singh	8	Yes	1	3
Shri Aneet Jain	9	Yes	1	3
Shri Ajay Kumar Dubey	1	No	Nil	Nil
Shri Rakesh Kumar Jain	9	Yes	2	Nil
Shri D.P. Shrivastav	5	Yes	Nil	3

### 3. Audit Committee:

The Audit Committee of the Board comprises three independent directors namely Shri Shriram Singh - Chairman, Shri Aneet Jain and Shri Dharm Prakash Shrivastav. 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
Shree Ajay Kumar Dueby	1	1
Shri Dharm Prakash Shrivastav	3	3



**4. Remuneration of Directors:**

The Company has not paid any remuneration to the Managing Director or any Director of Board during the year under review. The Company has constituted a Remuneration Committee with effect from 1st June, 2013. The said Committee of the Board comprises three independent directors namely Shri Dharmprakash Shrivastav - Chairman, Shri Shreeram Singh and Shri Aneet Jain.

**5. Shareholders'/Investors' Grievances Committee:**

The Company has constituted a Shareholders'/Investors' Grievance Committee. The said Committee of the Board comprises three independent directors namely Shri Aneet Jain - Chairman, Shri Shreeram Singh and Shri Dharmprakash Shrivastav.

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 31-03-2013.

**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.

<b>Year Ending</b>	<b>Date of A.G.M.</b>	<b>Time</b>
31-03-2010	30-09-2010	11.00 A.M.
31-03-2011	30-09-2011	11.00 A.M.
31-03-2012	29-09-2012	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 Notes of Accounts Note-1 Accounting Policies para (k). 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.

**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.