

MIDLAND POLYMERS LIMITED

**18<sup>th</sup>  
Annual Report and Accounts  
2009-2010.**

## BOARD OF DIRECTORS

### Directors

Rama Shankar Lakhotia  
Sudhir K Lakhotia  
Anand Lakhotia  
Rakesh Jain  
Hemant K Sharma  
Vinod Kumar Jain

### Registered Office:

G-2, Pramilla Plaza,  
Thatipur, Gwalior-474 011  
Madhya Pradesh.  
Tel :91-751-4070001, 2372177  
Fax: 91-751-4070001

### Delhi Office:

15-B,DDA Office Complex,  
Jhandewalan Extension,  
New Delhi-110055.  
Tel : 91-11-2353244 , 09303009200  
Fax : 91-11-23615323

### Bankers:

State Bank of India  
Axis Bank Ltd

### Auditors:

#### VISHAL VIJAY & ASSOCIATES

Chartered Accountants  
1614, New Shiv Puri  
Railway Road  
Hapur - 245101

### Registrars & Transfer Agents:

Karvy Computershare Pvt. Ltd.,  
Karvy House, Plot No 17 to 24, Vithal Rao  
Nagar, Madhapur, Hyderabad 500 081,  
Tel No +91-40 23420815-24,  
Fax +91-40 23420814,

Contents	Page No.
Notice .....	1
Annexure to Notice .....	2
Director's Report .....	3
Corporate Governance .....	5
Management's Discussions & Analysis .....	12
CEO & CFO Certification .....	13
Company secretary Compliance certificate .....	14
Auditor's Report .....	15
Annexure to Auditor Report .....	16
Balance Sheet .....	17
Profit & Loss A/c .....	18
Schedules .....	19
Balance Sheet Abstracts and Company General Business profile .....	24

## MIDLAND POLYMERS LIMITED

### MIDLAND POLYMERS LIMITED NOTICE 18<sup>Th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 18<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Thursday, the 30<sup>th</sup> day of September, 2010 at 11.00 am. at the Registered Office of the Company at G-2, Pramilla Plaza, Thatipur, Gwalior-474 011 to transact the following businesses:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit & Loss Account for the year ended 31<sup>st</sup> March, 2010 along with the Director's Report and Auditor's Report thereon.
2. To appoint Director in place of Sh. Rama Shankar Lakhotia, who retires by rotation and being eligible offers himself for re-appointment
3. To appoint Director in place of Sh. Sudhir Kumar Lakhotia, who retires by rotation and being eligible offers himself for re-appointment
4. To appoint M/s Vishal Vijay & Associates, Chartered Accountant as Auditors and to authorise the Board to fix their remuneration.

#### SPECIAL BUSINESS:

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

"RESOLVED THAT Sh. Rakesh Jain, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 on 21<sup>st</sup> May, 2010 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:  

"RESOLVED THAT Sh. Hemant Sharma, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 on 21<sup>st</sup> May, 2010 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

"RESOLVED THAT Sh. Vinod Kr. Jain, who was appointed as an Additional Director pursuant to Section 260 on 21<sup>st</sup> May, 2010 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company liable to retire by rotation."

Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company liable to retire by rotation."

By the Order of the Board

Anand Lakhotia  
Director

Gwalior, 5<sup>th</sup> August, 2010

Registered Office:  
G-2, Pramilla Plaza, Thatipur, Gwalior-474 011)

#### 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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Proxy in terms of the enclosed form duly executed should reach the Company's Registered Office at least 48 hours before the time fixed for the meeting.
2. Copies of the relevant Directors' Report along with Corporate Governance Report MD&A and CEO & CFO certification, Auditors' Report, Profit & Loss Account and Balance Sheet of the Company are enclosed.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 24.09.2010 to Monday, 30.09.2010 (both days inclusive).
4. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed herewith.
5. Members are requested to:
  - a) Notify change in their addresses immediately to the Company and RTA,
  - b) Quote their Folio Number in all correspondence with the Company/ RTA and
  - c) Bring their copy of the Annual Report and the Attendance Slip duly filled in for the meeting.

## MIDLAND POLYMERS LIMITED

Annexure to the Notice

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### Item No. 5

Sh. Rakesh Jain was appointed as an Additional Director by the Board of Directors in its meeting held on 21.05.2010. In accordance with Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, Sh. Rakesh Jain holds office as an Additional Director only up to the date of the forthcoming Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 intending to propose himself as Directors has been received.

None of the Directors other than Sh. Rakesh Jain, to the extent of their appointment as Directors, is concerned or interested in this resolution.

#### Item No. 6

Sh. Hemant Sharma, was appointed as an Additional Director by the Board of Directors in its meeting held on 21.05.2010. In accordance with Section 260 of the Companies Act, 1956 and the Articles of Association of the Company Sh. Hemant Sharma holds office as Additional Director only up to the date of the forthcoming Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 intending to propose himself as Directors has been received.

None of the Directors other than Sh. Hemant Sharma, to the extent of their appointment as Directors, is concerned or interested in this resolution.

#### Item No. 7

Sh. Vinod Kumar Jain, were appointed as an Additional Director by the Board of Directors in its meeting held on 21.05.2010. In accordance with Section 260 of the Companies Act, 1956 and the Articles of Association of the Company Sh. Vinod Kumar Jain holds office as an Additional Director only up to the date of the forthcoming Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 intending to propose himself as Directors has been received.

None of the Directors other than Sh. Vinod Kumar Jain, to the extent of their appointment as Directors, is concerned or interested in this resolution.

**By the Order of the Board**

**Anand Lakhotia  
Director**

**Place: Gwalior (M.P.)  
Date: 5<sup>th</sup> August, 2010**

# MIDLAND POLYMERS LIMITED

## DIRECTORS' REPORT

To the Members of Midland Polymers Ltd.

Your Directors are pleased to present the 18<sup>th</sup> Annual Report and the audited statement of accounts for the year ended 31<sup>st</sup> March 2010, together with the notice of the Annual General Meeting.

### FINANCIAL RESULTS:

(Rs.)

Particulars	For the Year Ended 31.03.2010	For the Year Ended 31.03.2009
Sales	-	1,656,496
Other Income	12,446,118	16,582,249
<b>Total Income</b>	<b>12,446,118</b>	<b>18,238,745</b>
<b>Total Expenditure</b>	<b>238,882</b>	<b>1,730,446</b>
Profit/Loss before Interest & Depreciation	12,207,236	16,508,299
Interest	-	-
Depreciation	-	621,419
<b>Profit &amp; Loss +/-</b>	<b>12,207,236</b>	<b>15,886,880</b>
<b>Balance brought forward from last year</b>	<b>49,892,502</b>	<b>65,779,383</b>

The performance of the company was impacted because of non performance of the Plant. Since the company is under rehabilitation there is no income from sales in the year under review. The company earned income from commission Rs 3,156,000 and Capital gains Rs 9,290,118 during the year under review. The net income of the company is to Rs 12,207,236 in the current year as compared to Rs 15,886,880 in the previous year. The Earning per share is Rs 3.10/- for the year under review as compared to Rs 4.81/- of the previous year.

### DIVIDEND:

Due to non-availability of profits, no dividend has been recommended for the financial year 2009-10.

### CORPORATE GOVERNANCE:

Pursuant to clause 49 of the listing agreements with stock exchanges, Management Discussions and Analysis Report (Annexure 1), report on corporate Governance and compliance certificate on corporate governance (Annexure 2) and CEO & CFO Certification (Annexure 3) are annexed hereto and forms part of this report.

### DIRECTORS:

In accordance with the requirements of the Companies Act, 1956 and the company's Articles of Association, Sh. Rama Shankar Lakhota & Sh. Sudhir Kumar Lakhota, Director of the Company retires by rotation and being eligible offer themselves for Re-appointment.

Your company has appointed three independent Directors as an Additional Directors to strengthen the Board of the company. In accordance with the requirements of the Companies Act, 1956 and the company's Articles of Association, Sh. Rakesh Jain, Sh. Hemant Sharma and Sh. Vinod Kumar Jain, who were appointed as an Additional Directors by the Board pursuant to section 260 of the Companies Act, 1956 w.e.f. 21.05.2010 and whose term of office expires at this Annual General Meeting and being eligible offers themselves for reappointment.

Your Directors solicit your approval for the reappointment of the Directors.

### AUDITORS:

M/s Vishal Vijay & Associates, Chartered Accountants, Hapur, who were appointed as Auditors in the previous Annual General Meeting of the company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

### DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 217(2AA) of the Companies Act, 1956 regarding the Directors' Responsibility Statement it is hereby stated:

- that in the preparation of the annual accounts for the year ended 31.03.2010, the applicable accounting standards had been followed along with proper explanation relating to material departure.
- that the Directors have selected and applied such accounting policies consistently.
- that the Directors have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and that the Directors have prepared the annual accounts on a going concern basis.

## MIDLAND POLYMERS LIMITED

### **PARTICULARS OF EMPLOYEES:**

During the year under report, none of the employee of the company was in receipt of remuneration equal to/ exceeding the limit prescribed under section 217 (2A) of the Companies Act, 1956.

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

In compliance with the provisions of section 217(1)(e) of the Companies Act, 1956, the statement giving the required information is annexed hereto.

Conservation of Energy:

The company did not use any energy as the company is under rehabilitation during the year under review.

The company neither imported any technology nor did any research and development.

There were no transactions relating to foreign exchange during the year.

### **ACKNOWLEDGEMENT:**

Your Directors wish to place on record, their deep gratitude to State Bank of India, Bhopal, Bombay Stock Exchange and other Government Authorities for their continued support and patronage.

Your Directors wish to express their deep gratitude to all stakeholders for their continued support and patronage.

**For & on behalf of the Board of directors**

Date: 5<sup>th</sup> August, 2010  
Place: Gwalior (M.P)

Sudhir K Lakhotia  
Director

Anand Lakhotia  
Director

## MIDLAND POLYMERS LIMITED

Annexure -1

### REPORT ON CORPORATE GOVERNANCE

#### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a process that aims to meet shareholders aspirations and societal expectations. It is a commitment that is backed by the fundamental belief of maximizing shareholders value, transparency in functioning, values and mutual trust amongst all the constituents of organization. It's not a discipline imposed by a Regulator, rather a culture that guides the Board, management and employees to function towards best interest of stakeholders. It involves essentially a creative, generative and positive thinking activity that adds value to the various stakeholders that are served as end customers of the corporate entity.

In your company, Corporate Governance philosophy stems from our belief that corporate governance is key element in improving efficiency and growth as well as enhancing investor confidence. We are making continuous efforts to adopt the best practices in corporate governance and we believe that the practices, we are putting into place for the company shall go beyond adherence to regulatory framework. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy.

#### II. BOARD OF DIRECTORS

##### Composition

The composition of Board of Directors of the Company is balanced one, comprising Executive and Non- Executive Directors. The present strength of the Board of Directors is six.

S. No	Name of the Directors	Category of Director	Date of Appointment	DIN No.
1.	Mr Anand Lakhotia	Non Executive Chairman	17/12/2007	00143183
2.	Mr. Rama Shankar Lakhotia	Promoter, Non Executive Director	16/10/2007	01764959
3.	Mr. Sudhir K Lakhotia	Promoter, Non Executive Director	18/12/1992	00010120
4.	Sh. Rakesh Jain	Non Executive Director	21/05/2010	00489085
5.	Sh. Hemant Sharma	Non Executive Director	21/05/2010	00030134
6.	Sh. Vinod Kumar Jain	Non Executive Director	21/05/2010	03087382

The Composition of the Board of Directors with reference to the number of Executive and Non- Executive Directors meets the requirement of Code of Corporate Governance. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committee. The Board constitution, the attendance of the Directors at the meetings of the Board held during the financial year, numbers of other directorships / committee memberships held by them during the year 2009-2010 are tabulated below:

Name of Director	Designation	Number of the Board Meetings		Attendance in the Last AGM	No. of Directorships in other Public Companies	No. of Committee position as Member	No. of Committee position as chairman
		Held*	Attended				
Mr Anand Lakhotia	Non Executive Chairman	15	14	Yes	None	Three	Three
Mr. Rama Shankar Lakhotia **	Promoter, Non Executive Director	15	13	Yes	None	Three	None
Mr. Sudhir Kumar** Lakhotia	Promoter, Non Executive Director	15	15	Yes	None	Three	None

\* Denotes number of meetings held during the tenure of directorship of each director.

\*\* Mr. Rama Shankar Lakhotia & Mr. Sudhir Kumar Lakhotia are liable to retire by rotation and being eligible offers themselves for re-appointment.

## MIDLAND POLYMERS LIMITED

### Directors' appointment/ reappointment

Sh. Rama Shankar Lakhotia & Sh. Sudhir Kumar Lakhotia, Directors of the company are liable to retire by rotation and being eligible offers themselves for Re-appointment.

Sh. Rakesh Jain, Sh. Hemant Sharma and Sh. Vinod Kumar Jain, who were appointed as an Additional Directors by the Board pursuant to Section 260 of the Companies Act, 1956 w.e.f. 21.05.2010 and whose term of office expires at this Annual General Meeting and being eligible offers themselves for reappointment.

### Number of Board of Directors' Meeting held during the year

The company has defined procedures for meetings of the Board of Directors and Committees thereof so as to facilitate decision-making in an informed and efficient manner. **15 (Fifteen)** Board Meetings were held during the financial year on the following dates:

(1) 15<sup>th</sup> April 2009 (2) 20<sup>th</sup> April 2009 (3) 2<sup>nd</sup> May 2009 (4) 5<sup>th</sup> May 2009 (5) 9<sup>th</sup> May 2009 (6) 3<sup>rd</sup> June 2009 (7) 18<sup>th</sup> July 2009 (8) 5<sup>th</sup> August 2009 (9) 1<sup>st</sup> September 2009 (10) 23<sup>rd</sup> October 2009 (11) 7<sup>th</sup> November 2009 (12) 19<sup>th</sup> December 2009 (13) 21<sup>st</sup> January 2010 (14) 5<sup>th</sup> February 2010 (15) 27<sup>th</sup> March 2010.

### Code of Conduct

The code of conduct in line with the provisions of Clause 49 of the listing agreement has been framed / adopted by the Board is applicable to all members of the Board and Senior Management Executives. The members of Board and Senior Management of the company have affirmed compliance with the code of conduct.

#### **Declaration as required under clause 49 of the Listing Agreement**

As provided under Clause 49 of the Listing Agreement with the stock exchange, all the members of the Board and Senior Management Personnel have confirmed compliance with Code of Conduct of the company for the financial Year ended as on March 31, 2010.

Place: Gwalior (M.P.)  
Date: 05.08.2010

Anand Lakhotia  
Director

### Directors' Remuneration

None of the Directors on the Board of the company falls within the category of Executive Director, hence no remuneration was provided to any of the Directors of the Company during the year under review.

### Board Committees:

The Board has constituted certain Committees; the committees report their working to the Board of Directors at every subsequent meeting of the Board of Directors:-

#### **1. Audit Committee**

##### **Role and Terms of reference**

The terms of reference of Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and as per the provisions of the Listing Agreement.

The Audit Committee is entrusted with the responsibility to supervise the Company's financial control and reporting process and inter alia performs the following functions:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending appointment and removal of statutory auditors, fixation of audit fee and approval of payment of fees for any other services;
- Reviewing with the management, the periodical financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices
  - Qualifications in the draft audit report
  - Significant adjustments arising out of audit
  - Compliance with Accounting Standards



## MIDLAND POLYMERS LIMITED

- Compliance with legal requirements concerning financial statements
- Related party transactions;
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
- Reviewing the adequacy of the internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors, before the audit commences, on nature and scope of audit as well as after conclusion of audit to ascertain any areas of concern and review the comments contained in their management letter;
- Reviewing the Company's financial and risk management policies;
- Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Considering such other matters as may be delegated by the Board from time to time.

### Composition of the Audit Committee

The Audit Committee comprises of three non- executive Independent Directors and one non- executive Director. The names of the members of the Audit Committee, including its Chairman are as follows:

Till 21 <sup>st</sup> May 2010	Status	At Present	Status
Mr. Anand Lakhota	Chairman	Mr. Rama Shankar Lakhota	Chairman
Mr. Sudhir Kumar Lakhota	Member	Mr. Hemant Sharma	Member-Independent Director
Mr. Rama Shankar Lakhota	Member	Mr. Rakesh Jain	Member-Independent Director
-	-	Mr. Vinod Jain	Member- Independent Director

The Audit Committee performed periodical review of the Internal Controls and Audit Systems, the accounting policies of the Company and the consideration of the annual financial statements before the same are adopted in the meeting of the Board.

### Meeting and Attendance

The meetings of the Committee were held under the chairmanship of Mr. Anand Lakhota at regular intervals as required under Clause 49 of the Listing Agreement. The major discussions in the Committee meetings included discussions about the review of the accounting policies of the company, working of the Internal Control and Audit Systems, discussion of results for the financial year 2009-10.

5 (Five) Audit Committee Meetings were held during the year 2009-2010. The dates on which the said meetings held were as follows:

(1) 15<sup>th</sup> April, 2009; (2) 20<sup>th</sup> April, 2009; (3) 18<sup>th</sup> July, 2009; (4) 23<sup>rd</sup> October, 2009; (5) 21<sup>st</sup> January, 2010.

### 2. Remuneration Committee

#### Composition of the Remuneration Committee

The Remuneration Committee has been duly constituted as per the requirement of the Clause 49 of the Listing Agreement entered into with the Stock Exchange and consists of the following Directors:

Till 21 <sup>st</sup> May 2010	Status	At Present	Status
Mr. Anand Lakhota	Chairman	Mr. Anand Lakhota	Chairman
Mr. Sudhir K Lakhota	Member	Mr. Hemant Sharma	Member- Independent Director
Mr. Rama Shankar Lakhota	Member	Mr. Rakesh Jain	Member- Independent Director

### Brief description of terms of reference

The terms of reference are to recommend / review the remuneration package for Executive Directors based on performance and keeping in view the provisions of the Companies Act, 1956.

### Meeting and Attendance

The company did not pay any remuneration/ commission to any of its Director during the year under review, no Remuneration Committee meeting was held during the year.

## MIDLAND POLYMERS LIMITED

### 3. Investors Grievance Committee / Shareholder's Committee

#### Attendance and Composition of Investors Grievance Committee

The Committee comprises of three Directors. The names of the members of the Investors Grievance Committee, including its Chairman as on 31<sup>st</sup> March, 2010 are as follows:-

Till 21 <sup>st</sup> May 2010	Status	At Present	Status
Mr. Anand Lakhotia	Chairman	Mr. Sudhir K Lakhotia	Chairman
Mr. Sudhir K Lakhotia	Member	Mr. Hemant Sharma	Member- Independent Director
Mr. Rama Shankar Lakhotia	Member	Mr. Rakesh Jain	Member- Independent Director

#### Brief description of terms of reference

Investors Grievance Committee is formed for:

- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- Redressal of shareholders and investor's complaint/ grievances e.g. transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc.; To approve, register, refuse to register transfer / transmission of shares and other securities;
- To sub-divide, consolidate and / or replace any share or other securities certificate(s) of the Company;
- To authorise affixation of common seal of the Company;
- To issue duplicate share other security(ies) certificate(s) in lieu of the original share / security(ies) certificate(s) of the Company;
- To approve the transmission of shares or other securities arising as a result of death of the sole/ anyone joint shareholder;
- To dematerialize or rematerialize the issued shares;
- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s)

#### Meeting and Attendance

The Company has not received any investor grievance during the year and accordingly no Investor Grievance Committee meeting was held during the year.

#### ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT OR SEEKING EXTENSION AT THE ANNUAL GENERAL MEETING

Name of the Director	Mr. Sudhir Lakhotia	Mr. Rama Shankar Lakhotia	Mr. Rakesh Jain	Mr. Hemant Sharma	Mr. Vinod Kumar Jain
Designation	Director	Director	Additional Director	Additional Director	Additional Director
Date of Birth	25/12/1956	30/06/1936	01/01/1964	07/08/1958	24/03/1957
Nationality	Indian	Indian	Indian	Indian	Indian
Date of Appointment	18/12/1992	16/10/2007	21/05/2010	21/05/2010	21/05/2010
Shareholding in Midland Polymers Limited as on 31-03-2009	52.24	2.18	Nil	Nil	Nil
Directorship in other Companies and Memberships of Committees	Simplex Sales Pvt Ltd LA Plastpacks Pvt Ltd.	Nil	Allied Trading Pvt Ltd. ▪ M G Refractories Pvt Ltd.	Nil	Nil
DIN No.	00010120	01764959	▪ 00489085	00030134	03087382

## MIDLAND POLYMERS LIMITED

### III. GENERAL BODY MEETINGS

	<b>Annual General Meeting for the Financial Year 2006 - 2007:</b>	30th September, 2007	
1	➤ Date	2.30 P.M	No Special Resolution passed at the meeting.
	➤ Time	Saboo Bhawan, Naya Bazar, Gwalior, M.P- 474011.	
	➤ Venue		
	<b>Annual General Meeting for the Financial Year 2007 - 2008:</b>	30th September, 2008	
2	➤ Date	1.00 P.M	No Special Resolution passed at the meeting.
	➤ Time	G-2, Pramila Plaza, Thatipur, Gwalior- 474011	
	➤ Venue		
	<b>Annual General Meeting for the Financial Year 2008 - 2009:</b>	28th September, 2009	
3	➤ Date	1.00 P.M.	No Special Resolution passed at the meeting.
	➤ Time	G-2, Pramila Plaza, Thatipur, Gwalior- 474011	
	➤ Venue		

Pursuant to the provisions of Section 192A of the Companies Act, 1956, there was no matter required to be dealt by the Company through postal ballot in the last AGM as well as in the ensuing AGM.

### IV. DISCLOSURES

- a. No transaction of a material nature has been entered into by the company with the Directors, Senior Management, personnel and their relatives that may have a potential conflict with the interest of the company except as disclosed under the related party transaction as per Accounting Standard- 18 'Related Party Disclosures' issued by Institute of Chartered Accountants of India, which are set out in the Notes to Accounts.
- b. The trading of Company's shares has been suspended on Bombay Stock Exchange Limited with effect from 10<sup>th</sup> September 2001 due to non-compliance of various routine compliances of Listing Agreement. At present the company has completed all pending compliances as per listing agreement with the Bombay Stock Exchange. Also, request has been made to Bombay Stock Exchange for the revocation of suspension in trading of shares of the Company, which is under process and we expect that the same will be removed very soon.

### V. GENERAL SHAREHOLDERS INFORMATION

	Annual General Meeting:		
	➤ Date	30 <sup>th</sup> September, 2010	
1	➤ Time	11.00 A.M.	
	➤ Venue	G-2, Pramilla Plaza, Thatipur, Gwalior - 474011	
	Financial Calendar for 2010-2011:		
	➤ Accounting Period	April 1, 2010 to March 31, 2011	
2.	➤ Unaudited financial results for the first three quarters	Announcement within 45 days from the end of each quarter.	
	➤ Fourth quarter Results	Announcement within 60 days from the end of quarter.	
	➤ Annual General Meeting (Next Year)	September, 2011 (Tentative)	
3.	Date of Book Closure	24 <sup>th</sup> September, 2010 to 30 <sup>th</sup> September, 2010 (Both days inclusive)	
4.	Dividend payment date	No Dividend recommended by the Board of Directors of the Company.	
5.	Listing on Stock Exchanges:	Address:	
	➤ The Delhi Stock Exchange Association Limited	DSE House, 3/1 Asaf Ali Road, New Delhi- 110002.	
	➤ Bombay Stock Exchange Limited	14 <sup>th</sup> Floor, PJ Towers, Dalal Street, Fort Mumbai- 400001.	
	➤ Indore Stock Exchange Limited	201, Palika Plaza, Phase II, MTH Compound, Indore-452001.	

Note: The listing fee for the year 2009-10 and earlier years have not been paid to the Stock Exchanges. As per BIFR scheme the request to waive listing fees with the stock Exchanges have been made by the company. The company has been delisted from JSE as per BIFR directives and request for delisting is pending with DSE & MPSE.

## MIDLAND POLYMERS LIMITED

6. **Market Price Data for the financial year 2009-10:** The Shares of the company are suspended and not traded in the Stock Exchanges during the current financial year; therefore the latest prices cannot be made available.

7. **Registrar and Transfer Agent** With effect from 21.05.2010, the company has appointed Karvy Computershare Pvt. Ltd., Karvy House, Plot No 17 to 24, Vithal rao Nagar, Madhapur, Hyderabad 500 081, Tel No +91-40 23420815-24, Fax +91-40 23420814, as its Registrar & Share Transfer Agent.

8. **Distribution of Shareholding as on 31<sup>st</sup> March, 2010:**

Share holding of nominal value	Share Holders		Share Amount	% to Total
	Number	% to total		
Upto - 2500	142	7.22	275000	0.83
2501 - 5000	1667	90.65	8282000	21.06
5001 - 10000	10	0.54	91000	0.23
10001 - 20000	5	0.27	82000	0.21
20001 - 30000	0	0.00	0	0.00
30001 - 40000	0	0.00	0	0.00
40001 - 50000	3	0.16	128000	0.33
50001 -100000	1	0.05	60000	0.15
100001 & above	11	0.60	30407000	77.32
	1839	100.00	39325000	100.00

- 9 **Share Holding Pattern as on 31<sup>st</sup> March, 2010:**

Category	Total No of Shares	%
(A) Share holding of Promoter & promoter group		
Indian Promoters	30,34,800	77.17
Foreign Promoters	-	-
(B) Public Shareholding	-	-
Non Institution	-	-
Bodies Corporate	-	-
Individuals	8,97,700	22.83
( C ) shares held by Custodian and against which DRs are issued	Nil	Nil
<b>Total</b>	<b>39,32,500</b>	<b>100</b>

### VI. MEANS OF COMMUNICATION

- During the year under review there were no presentations made by the Company to institutional investors or to the analyst.
- An Annexure relating to Management Discussion and Analysis Report forming part of this Annual Report is attached to the Directors Report.

### VII. Dematerialization of shares and liquidity

The paid up Capital of the company is Rs. 39, 32,500 divided into 3, 93,250, Equity Shares of Rs. 10/- each. The company has made an application to the Depositories i.e. National Securities Depository Limited and will shortly make an application with Central Depository Services (India) Limited for the demat connectivity. Presently all the shareholders hold shares in the physical form.

## MIDLAND POLYMERS LIMITED

### VIII. Compliance Officer

Mr. Sudhir K Lakhotia has been designated as the Compliance Officer of the Company as required under the Listing Agreement with Stock Exchange.

### IX. Address for correspondence

The correspondence may be addressed to Mr. Sudhir Lakhotia, Director of the company, at the Registered Office of the company at G-2, Pramila Plaza, Thatipur, Gwalior- 474011 or RTA Karvy Computershare Pvt. Ltd., Plot No 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad 500 081, Tel No +91-40 23420815-24, Fax +91-40 23420814

### X. COMPLIANCE CERTIFICATE OF THE AUDITORS/ PRACTISING COMPANY SECRETARY

The Practising Company Secretary Certificate, as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges, that the Company has complied with the conditions of Corporate Governance is annexed to the Report of the Directors.

**For & on behalf of the Board of Directors**

Sudhir K Lakhotia      Anand Lakhotia  
Director                      Director

Date: 05.08.2010

Place: Gwalior (M.P.)

# MIDLAND POLYMERS LIMITED

Annexure -2

## MANAGEMENT'S DISCUSSION & ANALYSIS

The Board takes pleasure in presenting before you the company's 18<sup>th</sup> Annual Report for the year 2009 - 10 along with the Compliance Report on Corporate Governance. The Chapter on Management Discussion and Analysis forms a part of the Compliance Report on Corporate Governance.

### OVERALL REVIEW:

Your company continued to take effective steps in implementing the Sanctioned Rehabilitation Scheme (SRS). The company approached and communicated with various Government bodies, and other agencies to avail relief's which are available to the company by virtue of the SRS. After putting in so many efforts, time and resources to rectify the defects in the Plant & Machinery it failed to perform because of inherent defects in the design. It was considered that the company act in prudence and acquire a new plant than to incur further expenses on it. It was felt that the new plant will be more advanced, efficient and will also be more productive. It was accordingly decided to acquire new Plant & Machinery and dispose off the existing plant. Since there are few players in the world and no other manufacturer in this field in India, it was felt that the new machinery will give added advantage to your company in terms of quality, productivity and efficiency.

The company also approached BSE with directives from BIFR to re-list the shares of the company within one month as per the sanctioned scheme. The company had earlier arranged funds from other sources to repay RIICO, the OTS amount and was hopeful that as per directives of BIFR the company's shares will get listed at BSE within one month time and the Investment from Strategic Investor will come soon thereafter. Your company did not receive the investment from the Strategic Investor in the absence of listing and the funds arranged earlier were repaid by disposing off its land and building. The company after settling dues of Institutions, other creditors etc the company is a debt free company now. To expedite the revocation of suspension, the company has assigned the work to Karvy Investor Services Limited, Mumbai. Once the suspension is revoked the company is hopeful of getting funds from Strategic Investor to complete the rehabilitation work.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Real impact of the global melt down became more pronounced this year. As compared to other Global World economy the Indian economy is in quiet strong position. While India continues to lead the turn around, there are some signs of improvement in international market too. Due to liberal government policies, support and good internal demand there would not be significant impact on the growth prospects in Indian Industrial sector.

### **OPPORTUNITIES AND THREATS**

The main business of the company is manufacturing of Mono Axially Oriented Polypropylene (MOPP) Film but because of non- Performance of the plant & machinery it is under rehabilitation. The company after settling dues of Institutions, other creditors etc the company is a debt free company now.

The company expects that once the operations starts after its rehabilitation it will be in a position to give good quality MOPP Film at very cost effective rates. The company is in need of infusion of funds for its rehabilitation and meeting out its working capital needs to enhance its productions and other facilities. The funds will come from Strategic Investor as per sanctioned scheme of honorable BIFR, once the company gets revocation of suspension in trading of its securities from BSE.

### **SEGMENT WISE OR PRODUCT - WISE PERFORMANCE**

The company presently is under Rehabilitation. Hence there is no reportable geographical / different segment wise report for the period under review.

### **OUTLOOK**

With political stability, economic indices are encouraging in general and showing good recovery in India as compared to other world economies. The company is optimistic about its performance after rehabilitation work is complete due to availability of hordes of reliefs /benefits to it. Due to tremendous growth in packaging and cable industry the demand for company's product is ever increasing.

### **RISK & CONCERN**

The company is presently under rehabilitation. The Strategic Investor as per sanctioned scheme of BIFR will Invest funds in the equity of the company on re-listing of its equity shares on the BSE. Presently the trading in the shares of the company is suspended with BSE due to non compliance of listing agreement during the period of sickness. The company has completed all pending compliances and has approached BSE for revocation of trading in security of the company. Your company is hopeful of getting revocation of suspension of its securities at BSE soon.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company has instituted adequate internal control procedure(s) commensurate with the nature of its business. Our internal committee evaluates the performance of the company on consistence basis to monitor and provide assurance that all business transactions are recorded and reported in conformity with generally accepted accounting practices and puts forth its findings and suggestions before the Audit Committee for its review.

## MIDLAND POLYMERS LIMITED

### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The performance of the company was impacted because of non performance of the Plant. The company is presently under Rehabilitation and there is nil income from sales during the year under review. The company earned income from commission Rs 3,156,000/- and Capital gains Rs 9,290,118/- during the year under review. The net income of the company in the current year is Rs12,207,236 as compared to Rs 15,886,880 in the previous year. The Earning per share is Rs 3.10 for the year under review as compared to Rs 4.81 of the previous year.

### DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Your company recognizes the value of human resource, therefore, the human resource policies are framed in such fashion that they not only aim at achieving the organizational goal but also recognize, appreciate and develop the individual interest of the employees. The Human Resource Development policies of the company are so framed that it is in the best interest of the organization as well as employees of the company. Presently there are no employees employed by the company for the year under review since the company is under rehabilitation. The company has a very good track record and after rehabilitation does not envisage any difficulty in getting professionally qualified staff. As a policy your company will strive hard for cordial relations between the management and employees.

### FORWARD LOOKING STATEMENT

Statement in this report, particularly those which relate to Management Discussion and Analysis, describing the company's future plans, objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might vary materially from those either expressed or implied.

**For & on behalf of the Board of directors**

Date: 5<sup>th</sup> August,2010  
Place: Gwalior (M.P.)

Sudhir K Lakhotia      Anand Lakhotia  
Director                      Director

-3

### CEO AND CFO CERTIFICATION

#### UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT

We, Anand Lakhotia CFO/Director & Sudhir K Lakhotia, CEO/Director responsible for the finance and overall functions of the company certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31.03.2010 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 statements 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.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the company's internal control system.

**For and on Behalf of the Board**

Date: 05.08.2010  
Place: Gwalior (M.P.)

Sudhir K Lakhotia  
CEO/ Director

Anand Lakhotia  
CFO/ Director

# MIDLAND POLYMERS LIMITED

## GROVER AHUJA & ASSOCIATES

Company Secretaries	C-9/151, 11 <sup>th</sup> Floor
	Yamuna Vihar
	Delhi - 110 053 (India)
	Tel: +91 11 25730034
	Email: groverahuja@hotmail.com

### CERTIFICATE OF COMPLIANCE AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of  
Midland Polymers Limited.

We have examined the compliance of the conditions of Corporate Governance by Midland Polymers Limited, for the year ended on 31<sup>st</sup> March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management; our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We further want to state that:

- Listing fees for the year 2009-10 is pending for Bursbay Stock Exchange.
- No investor grievance pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the company.

for Grover Ahuja & Associates  
Company Secretaries  
  
Anil Sharma  
Partner  
C.No. 10, N939

Place : Delhi  
Date : 5<sup>th</sup> August, 2010



# MIDLAND POLYMERS LIMITED

## REPORT OF THE AUDITORS

### AUDITOR'S REPORT

TO THE MEMBERS of  
MIDLAND POLYMERS LTD.

1. We have audited the attached Balance Sheet of M/s. Midland Polymers Limited as at 31st March, 2010 and also the Profit & Loss Account for the year ended on that date, annexed there-to. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. We refer to Note No. 12 of Schedule 'H' our verification of related party disclosures as required under Accounting Standard 18 has been based on the information made available to us by the company.
4. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement of the matters specified in paragraphs 4 & 5 of the said Order.
5. Further, we report that:
  - (i) We have obtained all the information & explanations, which to the best of our knowledge & belief were necessary for the purposes of our audit.
  - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
  - (iii) The Balance Sheet & Profit & Loss Account dealt with by this report are in agreement with the books of Account.
  - (iv) On the basis of the written representations received from the directors as on 31st March 2010, and taken on record by

the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

- (v) In our opinion, the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956,

Attention of the members is invited to the following notes in Schedule H:-

Note No. 4(ii) regarding non provision towards diminution in the value of investments or its realizable/recoverable value.

Note No. 5 regarding confirmation of loans given to Companies which are awaited and we have placed reliance on balances shown in the books of the Company.

- (vi) In our opinion & to the best of our information and according to the explanations given to us, the said accounts together with schedules and notes thereon give the information required by the Companies Act 1956 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 Balance Sheet , of the state of affairs of the Company as at March 31,2010; and
- (b) In the case of the Profit & Loss Account, of the profit for the year ended on that date.

For Vishal Vijay & Associates  
Chartered Accountants

CA VISHAL AGARWAL  
Proprietor  
Membership No. 505226

Place : Hapur  
Dated : 5<sup>th</sup> August 2010.

## MIDLAND POLYMERS LIMITED

### ANNEXURE TO AUDITORS REPORT

1. The Company has maintained proper records showing full particulars including quantitative details & situation of the fixed assets remaining unsold.
2. The remaining fixed assets have been physically verified by the management during the year. No Material discrepancies were noticed on such verification.
3. In our opinion & according to the information & explanations given to us, a substantial part of fixed assets has been disposed off by the Company during the year.
4. The Company did not carry any inventory during the year. As such no physical verification was required.
5. According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken any loans from Directors and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
6. The company has not granted loans, secured or unsecured, to companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
7. In respect of loans & advance in the nature of loans, there is no stipulation regarding repayment of principal amount. That in the absence of surplus, no provision is held against doubtful loans & advances.
8. On the basis of our evaluation of internal control procedures and according to the information and explanations given to us, it appears that there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets & materials and for the sale of goods, services and fixed assets. Further, on the basis of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control procedure.
9. Based on the audit procedures applied by us and according to the information & explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
10. In our opinion & according to the information and explanations given to us, there were no transaction made in pursuance of contracts or arrangement entered in the registers maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of any party during the year.
11. In our opinion & according to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of Section 58A of the Companies Act 1956 and the Companies (Acceptance of Deposits), Rules 1975 apply.
12. There was no production and sale during the year and as such maintenance of records for sale and disposal of realizable by products and scarp is not applicable
13. In our opinion, the company has a reasonable internal audit system, commensurate with the size and nature of its business.
14. The Central Government has not prescribed the maintenances of cost records under Section 209 (1) (d) of the Companies Act 1956.
15. According to the records of the company examined by us and the information & explanations given to us, in our opinion, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, VAT, Sales Tax, Excise Duty, Cess and other statutory dues applicable to it
16. According to the records of the company examined by us and the information & explanations given to us no undisputed amounts payable in respect of Income Tax, VAT, Sales Tax & Excise Duty outstanding as at 31st March- 2010 for a period of more than six months from the date they became payable.
17. According to the records of the company examined by us and the information & explanations given to us, there are no dues of, Income Tax, VAT, Sales Tax Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except for ESIC demand of Rs.22,937.
18. The Company has accumulated losses as at the close of the financial year. The Company has not incurred cash loss during the financial year covered by our audit but had incurred cash losses in the immediately preceding financial year.
19. According to the records of the company examined by us and the information & explanations given to us, in our opinion, the company has not defaulted in repayment of dues of any bank during the year.
20. According to the information & explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
21. According to the records of the company examined by us and the information & explanations given to us, the company has not taken term loans during year.
22. According to the information & explanations given to us and on the basis of an overall examination of the balance sheet of the company, in our opinion, generally, there are no funds raised by the company on short-term basis, which have been used for long-term investment and vice versa.
23. During the year, the company has not made any preferential allotment of shares to parties and companies covered under in the register maintained under section 301 of the Companies Act 1956.
24. According to the information & explanations given to us, the company has not raised any debentures during the period covered by our audit report.
25. During the period covered by our audit report, the company has not raised any money by public issue.
26. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
27. The other provisions of the Order do not appear to be applicable for the year under report.

For Vishal Vijay & Associates  
Chartered Accountants

CA VISHAL AGARWAL  
Proprietor

## MIDLAND POLYMERS LIMITED

Membership No. 505226

Place : Hapur  
Dated : 5<sup>th</sup> August 2010.

**MIDLAND POLYMERS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule	Current Year	Previous Year
<b><u>SOURCES OF FUNDS</u></b>			
Share Capital	"A"	3,93,25,000	3,93,25,000
Share Application Money (Pending Allotment)		-	1,27,00,000
Reserves & Surplus	"B"	1,25,22,821	1,25,22,821
<b>TOTAL RUPEES :</b>		<b>5,18,47,821</b>	<b>6,45,47,821</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>FIXED ASSETS :</b>			
Gross Block		4,19,511	2,73,54,012
Less : Depreciation		3,87,019	2,23,45,842
<b>NET BLOCK</b>	<b>"C"</b>	<b>32,492</b>	<b>50,08,170</b>
<b>INVESTMENTS</b>	<b>"D"</b>	<b>19,20,000</b>	<b>23,20,000</b>
<b><u>CURRENT ASSETS, LOANS AND ADVANCES</u></b>			
<b><u>AND ADVANCES</u></b>			
A. Current Assets		14,51,110	29,54,581
B. Loans & Advances		1,11,92,461	48,61,961
		1,26,43,571	78,16,542
<b>Less : Current Liabilities &amp; Provisions</b>	<b>"F"</b>		
		433,508	4,89,393
<b>NET CURRENT ASSETS</b>		<b>12,210,063</b>	<b>73,27,149</b>
<b><u>MISCELLANEOUS EXPENDITURE :</u></b>			
(To the extent not written off or adjusted)			
Debit Balance of Profit & Loss Account		37,685,266	4,98,92,502
<b>TOTAL RUPEES :</b>		<b>51,847,821</b>	<b>6,45,47,821</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
<b>&amp; NOTES TO THE ACCOUNTS</b>			
	<b>"H"</b>		

For and on behalf of the Board of directors

Sudhir K Lakhota  
DIRECTOR

Anand Lakhota  
DIRECTOR

As per our separate report of even date attached  
for **VISHAL VIJAY & ASSOCIATES**  
Chartered Accountants

**CA.VISHAL AGARWAL**  
Proprietor  
M.No. 505226

Place : Hapur  
Dated: 5th August 2010.

**MIDLAND POLYMERS LIMITED**

## MIDLAND POLYMERS LIMITED

**MIDLAND POLYMERS LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Schedule	Current Year	Previous Year
<b>INCOME</b>			
Sales (including Waste Sale Rs. Nil, previous year Rs. 23,505)		-	18,48,510
Less: Excise Duty Paid		-	1,92,014
Net Sales		-	16,56,496
Profit on Sale of Fixed Assets (net)		92,90,118	-
Other Income		31,56,000	-
Provision for Interest no longer required, Written back		-	1,65,82,249
<b>TOTAL RUPEES :</b>		<b>1,24,46,118</b>	<b>1,82,38,745</b>
<b>EXPENDITURE</b>			
Purchases		-	53,294
Manufacturing, Administrative &			
Other Expenses	`G'	2,38,882	4,43,403
Depreciation		-	6,21,419
		2,38,882	11,18,116
Add : (Increase)/ Decrease in stock		-	12,33,748
<b>TOTAL RUPEES :</b>		<b>2,38,882</b>	<b>23,51,864</b>
Operating Profit/ (Loss)		1,22,07,236	1,58,86,881
Less: Provision for Tax (MAT)		-	-
Balance of Loss Brought Forward from		(4,98,92,502)	(6,57,79,383)
Previous Year			
<b>Loss Carried to Balance Sheet (Rs.)</b>		<b>37,685,266</b>	<b>4,98,92,502</b>
Earning Per Share(in Rs.) ( basic & diluted)		3.10	4.81
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
<b>&amp; NOTES TO THE ACCOUNTS</b>	"H"		

**For and on behalf of the Board of directors**

Sudhir K Lakhotia  
DIRECTOR

Anand Lakhotia  
DIRECTOR

As per our separate report of even date attached  
for **VISHAL VIJAY & ASSOCIATES**  
Chartered Accountants

**CA.VISHAL AGARWAL**  
Proprietor  
M.No. 505226

Place : Hapur  
Dated: 5th August 2010.

## MIDLAND POLYMERS LIMITED

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	Current Year	Previous Year
<b><u>SCHEDULE - A</u></b>		
<b><u>SHARE CAPITAL :</u></b>		
<b><u>AUTHORISED</u></b>		
45,00,000 Equity shares of Rs.10 each	4,50,00,000	4,50,00,000
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP</u></b>		
39,32,500 (39,32,500) Equity shares of Rs. 10/- each fully paid up.	3,93,25,000	3,93,25,000
<b><u>TOTAL RUPEES :</u></b>	<b>3,93,25,000</b>	<b>3,93,25,000</b>
<b><u>SCHEDULE - B</u></b>		
<b><u>RESERVE AND SURPLUS</u></b>		
<b><u>General Reserve</u></b>		
Balance as per Last Account	35,00,000	35,00,000
<b><u>Capital Reserve</u></b>		
Balance as per Last Account	90,22,821	90,22,821
<b><u>TOTAL RUPEES :</u></b>	<b>1,25,22,821</b>	<b>1,25,22,821</b>
<b><u>SCHEDULE - D</u></b>		
<b><u>INVESTMENTS : (AT COST)</u></b>		
<b><u>UNQUOTED : Long Term</u></b>		
National Saving Certificates	20,000	20,000
<b><u>Equity Shares :</u></b>		
Gagar Metals Pvt. Ltd.	-	4,00,000
Rathi Credits Ltd.	5,00,000	5,00,000
Prabhat Financial Services Ltd.	8,00,000	8,00,000
SSA Credits Pvt. Ltd.	6,00,000	6,00,000
<b><u>TOTAL RUPEES :</u></b>	<b>19,20,000</b>	<b>23,20,000</b>

## MIDLAND POLYMERS LIMITED

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE : C										
NAME OF ASSETS	As on 01.04.09	GROSS BLOCK			As on 01.04.09	DEPRECIATION		As on 31.03.10	NET BLOCK	
		Additions during the year	Deduction during the year	Total as on 31.03.10		For the year	Adjustments		As on 31.03.10	As on 31.03.09
Land (Leasehold)	8,85,640	-	8,85,640	-	-	-		-	-	8,85,640
Building	38,79,673	-	38,79,673	-	29,31,629		29,31,629	-	-	9,48,044
Plant & Machinery	1,93,78,695	-	1,93,78,695	-	1,65,66,950		1,65,66,950	-	-	28,11,745
Electrical Installation	8,93,751	-	8,93,751	-	7,68,966		7,68,966	-	-	1,24,785
Vehicle	2,41,492	-	-	2,41,492	2,35,869		-	2,35,869	5,623	5,623
Furniture & Fixtures	1,85,705	-	1,85,705	-	1,72,532		1,72,532	-	-	13,173
Office Equipment	1,78,019	-	-	1,78,019	1,51,151		-	1,51,151	26,868	26,868
D.G. Set	14,30,657	-	14,30,657	-	12,40,990		12,40,990	-	-	1,89,667
Computer	2,80,380	-	2,80,380	-	2,77,756		2,77,756	-	-	2,624
<b>Total Rupees</b>	2,73,54,012	-	2,69,34,501	4,19,511	2,23,45,843	-	2,19,58,822	3,87,020	32,491	50,08,170
Previous Year	2,73,54,012	-	-	2,73,54,012	2,17,24,423	6,21,419	-	2,23,45,842	50,08,171	56,29,590

## MIDLAND POLYMERS LIMITED

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2010

<b>SCHEDULE E</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>CURRENT ASSETS, LOAN &amp; ADVANCES</b>		
<b>(A) CURRENT ASSETS</b>		
<b>INVENTORIES</b>		
(As taken, valued & certified by the Director)		
Raw Material	-	-
Stores & Spares	-	-
Stock In Process	-	-
Finished Goods	-	-
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered Good)		
Outstanding for a Period:		
Exceeding Six Months	13,86,907	6,63,124
Other Debts	-	7,23,783
<b>CASH &amp; BANK BALANCES :</b>		
Cash In hand	41,761	1,01,251
<b>Balances with Scheduled Banks :</b>		
in Current Accounts	22,442	14,66,423
<b>TOTAL RUPEES (A)</b>	<b>14,51,110</b>	<b>29,54,581</b>
<b>(B) LOANS AND ADVANCES :</b>		
Advance to Suppliers/for Machinery	51,75,000	20,00,000
Advances recoverable in Cash or Kind or for		
Value to be received	31,56,000	-
Security Deposits	1,91,790	1,91,790
Tax Deducted at Source	14,246	14,246
Deposit with Excise Department	5,425	5,925
Loans to Companies & Others	20,00,000	20,00,000
(Unsecured- Considered Doubtful)		
Loans to Companies & Others	6,50,000	6,50,000
<b>TOTAL RUPEES (B)</b>	<b>1,11,92,461</b>	<b>48,61,961</b>
<b>GRAND TOTAL RUPEES (A &amp; B)</b>	<b>1,26,43,571</b>	<b>78,16,542</b>
<b>SCHEDULE F</b>		
<b>CURRENT LIABILITIES &amp; PROVISION</b>		
<b>CURRENT LIABILITIES</b>		
<b>SUNDRY CREDITORS :</b>		
For Goods / Expenses	4,33,508	4,87,581
Liabilities for Other Finance	-	1,812
<b>TOTAL RUPEES C:</b>	<b>4,33,508</b>	<b>4,89,393</b>
<b>PROVISIONS</b>		
Provision for Tax	-	-
<b>TOTAL RUPEES D:</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL RUPEES (C &amp; D)</b>	<b>433,508</b>	<b>4,89,393</b>



## MIDLAND POLYMERS LIMITED

### SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2010

SCHEDULE G	Current Year	Previous Year
<b>MANUFACTURING, ADMINISTRATIVE &amp;</b>		
<b>OTHER EXPENSES :</b>		
Salaries & Wages	-	96,109
Contribution to PF & ESIC	-	10,695
Repair & Maintenance - Plant & Machinery	-	15,000
Power & Fuel	-	1,19,375
Miscellaneous Expenses	19,754	1,32,594
Bank Charges	17,669	12,275
Rent, Rates & Taxes	17,349	46,825
Travelling Expenses	25,347	-
Audit Fees	15,000	15,000
Freight Charges	67,500	-
Fixed Assets written off	15,797	-
Professional Charges	74,045	-
Sundry Balances Written Off	(1,182)	(4,469)
<b>TOTAL RUPEES :</b>	<b>2,38,882</b>	<b>4,43,403</b>

#### SCHEDULE - H

##### Accounting Policies & Notes to Accounts: -

##### (a) Accounting Policies and Practices: -

- i. **Method of Accounting:** The Company is following Mercantile System of accounting and recognizes income and expenditure on accrual basis except income/expenses which could not be quantified with reasonable accuracy, are accounted for on cash basis. Accounting policies not referred to otherwise are inconsistent with generally accepted accounting principles,
- ii. **Fixed Assets:** Fixed assets are stated at their original cost less depreciation. Cost includes inward freight, duties, taxes and expenses incidental to acquisition and installation and net of CENVAT credit allowed.
- iii. **Depreciation:** Depreciation has been provided on written down value method in the manner and at the rates prescribed in Schedule XIV of the Companies Act, 1956. No Depreciation has been charged on the assets disposed off during the year.
- iv. **Revenue Recognition:** Revenue from sale of goods is recognized upon passage of title to the customers, which generally coincides with delivery.
- v. **Inventories:** In the current year, there are no inventories. In normal course of business, Inventories are valued as follows:
 

Raw-Materials	-At Cost
Store & Spares	-At Cost
Stock-in-Process	-At Estimated Cost
Finished Goods	-At Net Realizable Value
- vi. **Investment :** Long term investments are stated at cost.
- vii. **Retirement Benefits:**
  - i) Contributions to Provident Fund & ESIC are accounted for on accrual basis and charged to Profit & Loss A/c for the year.
  - ii) Gratuity and Leave encashment are accounted for on accrual basis.
- viii. **Taxation:**

Tax expense (tax saving) is the aggregate of current tax and deferred tax.

  - (a) Current tax is the provision made for income tax liability on the profits for the year in accordance with the provisions of Income Tax Act, 1961.
  - (b) Deferred Tax is recognized, on timing differences, being the differences resulting from the recognition of items in the financial statement and in estimating its current tax income tax provision. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- ix) **Earning Per Share:** Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

## MIDLAND POLYMERS LIMITED

### SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2010

#### Contingent Liabilities & Notes.

1. Contingent Liabilities: -

- i. Outstanding Capital Commitments: Rs. 127,00,000 (As certified by the Management.)
- ii. Other Contingent Liabilities: Rs. 22937/- in respect of ESIC demand. (As certified by the Management.)

2. The net worth of the Company had eroded whereby it had become a sick industrial unit in the year 2001 as per the provisions of Sick Industrial Companies Act, 1985 (SICA). The Company had accordingly made a reference to BIFR and was declared a Sick industrial Company on 18.10.2002. State Bank of India, Bhopal was appointed as an operating agency. The BIFR sanctioned Rehabilitation scheme on 4<sup>th</sup> Feb 2009.

The Net Worth of the Company turned positive as per the audited balance Sheet of 31.03.2009 and accordingly the Company ceased to be a sick industrial unit as per the provisions of Sick Industrial Companies Act, 1985 (SICA). The Company is in the process of Rehabilitation, these accounts have been prepared on "Going Concern Basis."

3. The Company sold a substantial part of its fixed assets including land and building. The profit and loss (net) on such sale amounting to Rs. 92,90,118 has been recognized in the books.
4. Investments:
  - i. National Savings Certificates for Rs 20,000 (Previous year Rs. 20,000) are lodged with Sales Tax Department and are held in the name of one of the Director of the Company.
  - ii. The Company holds unquoted share investments amounting Rs.19,00,000 ( Previous year Rs. 23,00,000), which are considered good. No financial statements of these companies are available and in certain cases these companies have incurred losses. In the opinion of management, diminution in value of such investments is temporary. Hence, no Provision is made in accounts.
5. In the case of Loans to Companies amounting to Rs. 6,50,000 (previous year Rs. 6,50,000) are considered good and the confirmation from such Companies is still awaited.
6. Advances, Sundry Debtors, Creditors are taken as per books awaiting their respective confirmations.
7. In the opinion of the Board of Directors and to the best of their knowledge and belief the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business.
8. The company has accumulated losses and the Management is of the opinion that there is no possibility of tax liability on company in view of large accumulated losses. As such, no deferred tax liability/asset is also worked out for the year as per AS-22.
9. The Company has not charged any depreciation on fixed assets disposed off during the year. Also no depreciation has been charged on remaining fixed assets amounting to Rs. 5,193, which would have reduced the profit by similar amount.
10. As the company is production of plastic film only AS-17 on segment Reporting is not applicable to the company.

11. Related Party Disclosure

Directors:

Shri Sudhir Lakhotia	-Director
Shri R S Lakhotia	-Director
Shri Anand Lakhotia	-Director

Parties Where Control Exists	Controlled by
Simplex Sales P Ltd.	Sh. Sudhir Lakhotia
LA Plast Packs Pvt. Ltd.	Sh. Sudhir Lakhotia
Gupta Lakhotia & Associates	Sh. Anand Lakhotia

There are no transactions with Related Parties.

12. The Company has not provided for income tax liability (MAT) for the current year amounting to Rs. 10,80,000 as it has applied to Income Tax Department for waiver of MAT and is hopeful of getting relief from Income Tax Department.
13. Previous year figures have been regrouped/ rearranged, wherever necessary.

### SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2010

## MIDLAND POLYMERS LIMITED

14. Additional information pursuant to the provision of Schedule VI to the Companies Act, 1956. (As Certified by the Management)

A: Capacity

(As Certified by the Management)

Quantity in M.T

Class of Goods	Licensed Capacity	Installed Capacity		Actual Production	
		Current Year	Previous Year	Current Year	Previous Year
MOPP Films/Tapes	N.A	NIL	616	Nil	13.268

B. Quantitative Information (As Certified by the Management)

	Qty M.T	Current Year	Qty M.T	Previous Year
<b>Opening Stock</b>				
Stock in Process	-	-	2.671	1,86,956
Finished Goods	-	-	3.702	2,96,228
<b>Production</b>				
Film/Tape	-	-	13.268	-
<b>Sales</b>				
Film/Tape	-	-	15.028	18,25,005
<b>Closing Stock</b>				
Stock in Process	-	-	-	-
Finished Goods	-	-	-	-

The difference is on account of wastage, shortage, waste sale etc.

C. Raw Material Consumed (100% indigenous)

	Qty M.T	Current Year	Qty M.T	Previous Year
Polypropylene	-	-	12.358	7,88,498

D. Earnings in Foreign Exchange:

FOB Value of Exports

Amount in Rs.  
Current Year

Amount in Rs.  
Previous Year

Nil

Nil

E. Earnings in Foreign Exchange:

CIF Value of Imports  
Expenses

Nil  
Nil

Nil  
Nil

15. Information as required by Part IV of Schedule VI to the Companies Act, 1956.

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration No.

07293

State Code 10

Balance Sheet Date

31 03 2010  
Date Month Year

2. Capital Raised during the year (Amounts Rs. In Thousands)

Public Issue  
NIL

Right Issue  
NIL

Bonus Issue  
NIL

Private Placement  
NIL

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

## MIDLAND POLYMERS LIMITED

3. Position of mobilization and deployment of funds  
(Amounts Rs. In Thousands)

Total Liabilities	Total Assets
51848	51848

**Source of Funds**

Paid up Capital	Reserves & Surplus
39325	12523

Share Application Money	Secured Loans
NIL	NIL

Unsecured Loans	Deferred Tax
NIL	NIL

**Applications of Funds**

Net Fixed Assets	Investments
32	1920

Net Current Assets	Miscellaneous Expenditure
12210	NIL

Accumulated Losses
37686

4. Performance of the Company (Amount Rs. In thousands)

Turnover	Total Expenditure
12446	239
Profit/Loss Before Tax	Profit/Loss After Tax
12207	12207

Earnings per Share in Rs.(Basic & Diluted)	Dividend Rate %
3.10	NIL

5. Generic names of three Principal Products/Services of the Company (as per monetary terms.)

Item Code No.	Item Description
39202000	MOPP Film

As per our separate report of even date attached.

**VISHAL VIJAY & ASSOCIATES**  
Chartered Accountants

**For and on behalf of the Board of directors**

CA.VISHAL AGARWAL

Sudhir K Lakhotia  
DIRECTOR

Anand Lakhotia  
DIRECTOR

Proprietor  
M. No. 505226

Place: Hapur  
Date: 5<sup>th</sup> August 2010.

**MIDLAND POLYMERS LTD**

Registered Office: G-2, Pramilla Plaza, Thatipur, Gwalior-474 011  
Madhya Pradesh. Tel :91-751-4070001, 2372177  
Fax: 91-751-4070001

**PROXY FORM**

18<sup>TH</sup> ANNUAL GENERAL MEETING, 30<sup>TH</sup> SEPTEMBER, 2010

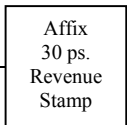
Reg. Folio No. \_\_\_\_\_ DP ID No.\* \_\_\_\_\_ Client ID No.\* \_\_\_\_\_

\* Applicable for Member holding Shares in electronic form

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a Member/Members of the abovementioned Company, hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ or failing him \_\_\_\_\_  
of \_\_\_\_\_ as my/our proxy to vote for me/use on my /our behalf at the  
EIGHTEENTH ANNUAL GENERAL MEETING of the Company, to be held on Thursday, the 30<sup>th</sup> day of September, 2010 and at any  
adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

Signature \_\_\_\_\_



Note: This form in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

------(Tear Here)-----

**MIDLAND POLYMERS LTD**

Registered Office: G-2, Pramilla Plaza, Thatipur, Gwalior-474 011  
Madhya Pradesh. Tel :91-751-4070001, 2372177  
Fax: 91-751-4070001

**ATTENDANCE SLIP**

18<sup>TH</sup> ANNUAL GENERAL MEETING, 30<sup>TH</sup> SEPTEMBER, 2010

Reg. Folio No. \_\_\_\_\_ DP ID No.\* \_\_\_\_\_ Client ID No.\* \_\_\_\_\_

\* Applicable for Member holding Shares in electronic form

I certify that I am a registered Member/Proxy for registered member of the Company.

I hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company at 11.00 a.m. on Thursday  
30<sup>th</sup> September, 2010.

\_\_\_\_\_  
Member's/Proxy's name in BLOCK Letters

\_\_\_\_\_  
Member's/Proxy's Signature

Note:  
Please fill in this attendance slip and hand it over at the Entrance.

## Book Post

If undelivered, please return to :  
Midland Polymers Limited  
G-2, Pramilla Plaza,  
Thatipur, Gwalior-474 011  
Madhya Pradesh.