

MIDLAND POLYMERS LIMITED

20TH Annual Report

2011- 12

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20 th Annual General Meeting	
Date	29 th September, 2012
Day	Saturday
Time	11.00 A.M.
Place	Hotel Landmark, 47, Manik Vilas Colony, Infront Of Hanuman Mandir, Station Chouraha, Gwalior - 474001

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Anand Lakhotia	Chairman & Independent Director
Mr. Sudhir Kumar Lakhotia	Promoter Director
Mr. Rama Shankar Lakhotia	Promoter Director
Mr. Rakesh Jain	Independent Director
Mr. Hemant K. Sharma	Independent Director
Mr. Vinod Kumar Jain	Independent Director

REGISTERED OFFICE

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

EMAIL ID AND WEBSITE

Email id : midopp@vsnl.com
Website : Under Construction

AUDITORS

Vishal Vijay & Associates
Chartered Accountants
1614, New Shiv Puri
Railway Road
Hapur, Uttar Pradesh - 245101

REGISTRAR AND SHARE TRANSFER AGENTS

M/s Skyline Financial Services Private Limited
1st Floor, D-153A, Okhla Industrial Area, Phase I,
New Delhi -110 020, INDIA

LISTED AT

BSE Limited
Madhya Pradesh Stock Exchange Limited
Delhi Stock Exchange Limited

COMPLIANCE OFFICER

Mr. Sudhir K Lakhotia

BANKERS OF THE COMPANY

State Bank of India,
Axis Bank Ltd

COMPANY SECRETARY

Mr. Mahesh Bhatler

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 20th Annual General Meeting of the members of the Company will be held on Saturday, the 29th September, 2012 at 04.00 P.M. at the Hotel Landmark, 47, Manik Vilas Colony, Infront Of Hanuman Mandir, Station Chouraha, Gwalior - 474001 to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the accounts, balance sheet of the company and the reports of the Directors and Auditors thereon for the year ended 31st March 2012.
2. To consider the resignation of M/s Vishal Vijay & Associates, Chartered Accountant, retiring Auditors of the Company be and is hereby shown his unwillingness for re-appointment.
3. To consider the resignation of Mr. Vinod Kumar Jain as director who retires by rotation and shown his unwillingness for Re-appointment.
4. To consider the resignation of Mr. Hemant K. Sharma Jain as director who retires by rotation and shown his unwillingness for Re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT approval of the Shareholders of the Company be and is hereby accorded for the appointment of M/s Lokesh Vyas & Co., Chartered Accountants having FRN 016344C as the Statutory Auditors of the Company to hold office upto the conclusion of next Annual General Meeting of the Company on a remuneration decided by the Board with the consent of M/s Lokesh Vyas & Co.

RESOLVED FURTHER THAT Board of Director be and is hereby authorised to intimate the Stock Exchanges, other authorities for appointment of new Auditor and to take such other steps as may be necessary in this regard"

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

"RESOLVED THAT pursuant the provisions of Section 257 of the Companies Act, 1956, and Articles of Association of the Company, Prof. Chain Sing Barla, in respect of whom the company has received a notice proposing his candidature for the office of Director and who has already given his consent pursuant to the provisions of Section 264 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT Mr. Sudhir Lakhotia and/or Mr. Anand Lakhotia, Director of the Company, be and are hereby authorised to sign the form 32 and make arrangement to file the same with Registrar of Companies and to take such other steps as may be necessary in this regard."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANY OTHER PERSON AS HIS / HER PROXY TO ATTEND AND VOTE (IN CASE OF POLL) INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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. A PROXY FORM IS APPENDED WITH ADMISSION SLIP.
2. Corporate members are requested to send the Company a duly certified copy of the Board Resolution, pursuant to section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. The Register of Members and share Transfer Books of the Company will remain closed from Tuesday, 25th September 2012 to Saturday, 29th September, 2012 (both days inclusive).
4. As a measure of economy and a step toward green initiative, Members are requested to bring their copy of Annual Report to the meeting. Members/ Proxies should bring the attendance slip duly filled in and signed for attending the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members are requested to write their folio number in the attendance slip for attending the meeting.
7. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to and inclusive of the date of the Annual General Meeting.
8. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Registrars and Transfer Agents the details as required in Form 2B.

The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item No. 5 and 6

5. The existing Auditors M/s Vishal Vijay & Associates., Chartered Accountants, Hapur, have shown his unwillingness as statutory auditors of your Company. Further M/s Lokesh Vyas & Co., Chartered Accountants, has consented to be appointed as Statutory Auditors. In terms of section 224(6) of the Act, consent of the members is required by way of Ordinary Resolution for the appointment of M/s Lokesh Vyas & Co., Chartered Accountants as Statutory Auditors.

None of your directors is interested in the proposal and recommends your acceptance thereof in the interest of the Company.

6. As required by Section 257 of the Companies Act, 1956 a notice has been received from Prof. Chain Sing Barla along with the requisite fee of Rs. 500/-, signifying his intention to propose himself to be appointed as Director at the forthcoming Annual General Meeting. Prof. Chain Sing Barla has given his consent as per the provisions of Section 264 of the Companies Act, 1956. Hence, necessary resolution is placed before the Meeting for Member's approval.

The documents relating with these businesses are available for inspection till the date of Annual General Meeting on all working days (except on Saturday) at the Registered Office of the company from 11:00 a.m. to 1:00 p.m.

None of the Director is deemed to be interested in the proposed resolution to the extent of his appointment.

The Board recommends the resolution for your approval

For & on behalf of the Board of directors

Sd/-
Sudhir Kumar Lakhotia
Director

Sd/-
Anand Lakhotia
Director

Date: 25.08.2012
Place: Gwalior (M.P.)

Details of Directors seeking Re-appointment at the Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Prof. Chain Sing Barla
Date of Birth	02.12.1937
Age	75 Years
Date of Appointment	30.09.2012 (Subject to approval of Shareholders)
Qualification	M.A., MSc. Phd.
Expertise in specific functional areas	Having rich experience of Economic affairs
Directorship held in Other Companies as on date	Nil
Committee Positions* in other Public Companies	Nil
Number of Shares held	Nil

* Committee positions of only Audit and Shareholders'/Investors' Grievance Committee included.

DIRECTOR'S REPORT

Dear Stakeholders,

Your Directors present herewith the 20th Annual Report of the company for the year ended 31st March, 2012.

FINANCIAL RESULTS

(In Rupees)

Particulars	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
Sales	-	-
Other Income	338,626	6,144,238
Total Income	338,626	6,144,238
Total Expenditure	577,029	558,574
Profit/(Loss) before tax	(238,403)	5,585,664
Provision for Tax	0	0
Net Profit/(Loss)	(238,403)	5,585,664
Paid Up Share Capital	39,325,000	39,325,000

REVIEW OF OPERATIONS

During the year under review your Company's performance was not good as compare to previous year however Your Directors are of the opinion that the Company has the immense potential and adequate resources to achieve the rapid rate of growth in the coming years. During the year, the Company has earned the total income of Rs. 338,626 and incurred Net Loss is Rs. 238,403. Your Company hopes to increase its presence in the business in whole market in the coming years, which will significantly increase the top line and also its profitability.

DIVIDEND

In view of inadequate profits, your Directors do not recommend any dividend for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis, forming part of this report, as required under Clause 49(IV) (F) of the Listing Agreement with the stock exchanges is attached separately to this Annual Report.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the company's Articles of Association Mr. Vinod Kumar Jain and Mr. Hemant K. Sharma directors of the Company retires by rotation and shown their unwillingness for Re-appointment.

Brief resume of Director proposed to be appointed, nature of their experience in their specific functional areas, name of the Companies in which they hold directorship and membership / chairmanship of the Board Committees, Shareholding and relationship between Directors inter-se as stipulated under Clause 49 of the Listing agreement with the stock exchanges forms part of the Notice.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. In the preparation of annual accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. The Directors have selected such accounting policies and applied them consistently and 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 ended March 31st 2012 and of the profit or loss of the Company for that period.
- iii. The Directors had 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 preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

As per schedule of implementation of Corporate Governance Code mentioned in Clause 49 of the Listing Agreement, the Company has implemented the mandatory requirements of the code. A certificate from Vishal Vijay & Associates, Chartered Accountants, regarding the status of compliances of conditions under clause 49 of the Listing Agreement is annexed to this Report.

PARTICULARS OF EMPLOYEES

During the period under review, the company does not have any employee who is covered under Section 217(2A) of the Companies Act 1956.

PUBLIC DEPOSIT

During the year under review, your company has not invited any deposits from the Public U/s 58 A of the Companies Act, 1956.

AUDITORS

The Auditors, Vishal Vijay & Associates, Chartered Accountants having registration No. 020462N hold office until the conclusion of the ensuing Annual General Meeting and shown unwillingness for re-appointment.

The Board recommends the appointment of Lokesh Vyas & Co., Chartered Accountants as the Statutory Auditors of the Company for the Financial Year 2012-13.

AUDITORS' REPORT

The Auditor's Report dated 30.05.2012 on the financials statements of the company for the financial year 2011-2012 does not have any reservation, qualification or adverse remarks. However Auditors have emphasis on few matters which are as follows:

- i. Note No. 18 (iii) regarding non provision towards diminution in the value of investments or its realizable/recoverable value.
- ii. Note No. 18 (iv) regarding confirmation of loans given to companies which are awaited and have placed reliance on balance shown in the books of Company.
- iii. Note No. 18 (x) regarding verification of related parties disclosures as required under accounting Standard 18 has been based on the information made available from the Company.

OPEN OFFER

The Open offer was being made by Mr. Rupesh Soni & Mrs. Radhika Soni and Rudh Equities & Investment Advisors Private Limited to the Equity Shareholders of Midland Polymers Limited dated November 19, 2011 (Wednesday) and Corrigendum to Public Announcement dated July 05, 2012 (Thursday) pursuant to and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto to acquire 786,500 fully paid up equity shares having face value Rs. 10/- each, at a price of Rs. 29.25/- (Twenty Nine Rupees and Twenty Five Paise Only) per share (including interest of Rs. 0.25 per share) ("Offer Price") representing upto 20% of the voting capital of Midland Polymers Limited.

CLAUSE 5A OF THE LISTING AGREEMENT

In view of newly inserted clause 5A to the Listing Agreement vide circular no. CIR/CFD/DIL/10/2010 dated 16th December, 2010 issued by the Securities and Exchange Board of India (SEBI) introducing uniform procedure for dealing with the unclaimed shares, the Company will be sending reminder letters to shareholders whose share certificates are still lying with the Company as undelivered/ unclaimed. However at present there is no unclaimed share lying with the Company.

GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

In view of the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs vide its circular no. 17/2011 dated 21st April 2011, all members who are holding shares of the Company in physical mode, are requested to register their e-mail IDs with the Company, so as to enable the company to send all notices/ reports/documents/ intimations and other correspondences etc. through e-mails, in the electronic mode instead of receiving physical copies of the same.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.

Information required to be given pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the report of the Directors) Rules 1988 and forming part of the Director's report for the year ended 31st March, 2012 are given below :

A. CONSERVATION OF ENERGY

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

Your Company is conscious about its responsibility to conserve energy, power and other energy sources wherever possible. We emphasis towards a safe and clean environment and continue to adhere to all regulatory requirements and guidelines.

B. RESEARCH & DEVELOPMENT

Your Company has not imported any technology for any research and development.

C. TECHNOLOGY ABSORPTION

Your Company has not imported any technology. However, we believe and use information technology extensively in all spheres of our activities to improve efficiency levels.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO.

Details of Foreign Exchange, earnings and Outgo are given as below:-

	Year 2012 (Amt.)	Year 2011 (Amt.)
Foreign Exchange earning	Nil	Nil
Foreign Exchange outgoing	Nil	Nil

APPRECIATION

Directors wish to place on record their deep thanks and gratitude to;

- a) The Central and State Government as well as their respective Departments and Development Authorities connected with the business of the Company, Bankers of the Company as well as other Institutions for their co-operation and continued support.
- b) The Shareholders, Depositors, Suppliers and Contractors for the trust and confidence reposed and to the Customers for their valued patronage.
- c) The Board also takes this opportunity to express its sincere appreciation for the efforts put in by the officers and employees at all levels in achieving the results and hopes that they would continue their sincere and dedicated endeavour towards attainment of better working results during the current year

For & on behalf of the Board of directors

Sd/-
Sudhir Kumar Lakhotia
Director

Sd/-
Anand Lakhotia
Director

Date: 25.08.2012
Place: Gwalior (M.P.)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Board presents before you the Company's 20th Annual Report for the year 2011-12 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.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The packaging film Industry in India is projected to grow for coming years as there is a huge demand of packaging features in sectors such as Identity Documents, Tobacco and Brand Protection. This industry comprises the key market sectors of brand protection, packaging, security print, retail and promotion and illustration, as well as equipment sales and installations related to these.

OPPORTUNITIES AND THREATS

Opportunities

With industries and government waking up to piracy and counterfeits, the business of Mono Axially Oriented Polypropylene film has a promising future.

Threats

Threats to be faced by our company are same as of the threats which any other company of this industry will face. Variation in standards across the industry imposes systematic risks, which can be a potential threat.

FINANCIAL PERFORMANCE

During the year the company has incurred a Net loss of Rs. 238,403. And it is continuously looking to generate some positive vibes by exploring new projects, contracts from different sectors of industries and committed to generating profits into the company.

SEGMENT WISE OR PRODUCT – WISE PERFORMANCE

The company is primarily engaged in the business of manufacturing Mono Axially Oriented Polypropylene Film. Still the company has not able to generate any business from these activities. Accordingly segment information has not been disclosed.

OUTLOOK

Your company is optimistic, that some solution may emerge and the ban on usage of plastic films may be revoked. Alternatives usages in other market areas are being explored. Barring unforeseen circumstances your company expects to show better results in the future.

RISK & CONCERN

The company like any other company is exposed to the risk factors relating to the business of the company and the industry in which it operates i.e. risk arising from within the industry itself (structural risk), risks arising from the expected future performance of the industry (growth risk) and risk arising from forces external to the industry.

The company manages these risks by adherence to best practices, internal control measures and risk management systems.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has a proper and adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. Proper controls and checks are exercised by the company by following the procedures prescribed in the various manuals. The Audit Committee of the Board reviews Internal Control Systems of the company on periodical basis

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.

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 and on behalf of the Board

Sd/-

Sudhir Kumar Lakhotia
Director

Sd/-

Anand Lakhotia
Director

Date: 25.08.2012
Place: Gwalior (M.P.)

CORPORATE GOVERNANCE

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance finds its roots in the rich legacy of ethical governance practices, many of which were in place even before they were mandated. This philosophy has been sought to be strengthened through the Company Code of Conduct, and Prevention of Insider Trading which have been adopted, which inter alia form guidelines for "Leadership with Trust". The Company will continue to focus its energies and resources in creating and safeguarding of shareholders' wealth and, at the same time, protect the interests of all its stakeholders.

The Company's philosophy strives to ensure that its business strategies and plans prioritise the welfare of all stakeholders, while at the same time, maximising shareholders' value on a sustained basis. The Company believes that good Corporate Governance strengthens the investors' trust and ensures a long-term partnership that helps in Company's objectives. The philosophy is manifested in its operations through exemplary standards of ethical behaviour, both within the organization as well as in external relationships. A report on compliance with code of corporate governance as prescribed by the Securities and Exchange Board of India and incorporated in the Listing Agreement is given below

BOARD OF DIRECTORS

The Board of Directors is an optimum combination of professionalism experiencing, non executive, and Independent Director formed by the shareholders, provides and evaluates the strategic directions of the Company; formulates and reviews management policies, serves and protects the overall interests of shareholders to ensure long-term value creation for stakeholders.

Composition:

At present the Board of Directors is balanced one and is comprised of 6 Directors.

The composition of the Board as on 31st March 2012:

Name	Category
Mr. Anand Lakhotia	Chairman and Independent Director
Mr. Sudhir K Lakhotia	Promoter Director
Mr. Rama Shankar Lakhotia	Promoter Director
Mr. Rakesh Jain	Independent Director
Mr. Hemant K. Sharma	Independent Director
Mr. Vinod Kumar Jain	Independent Director

Note:

- None of the Directors of your Company is a member of more than 10 Committees or is the Chairman of more than five Committees across all the Public Companies in which they are Directors.

BOARD MEETING

During the financial year ended March 31, 2012, 5 meetings of the Board of Directors were held as against the minimum requirement of 4 times. None of the two Board Meetings have a gap of more than 120 days between them. The dates of meetings, place of meetings and the number of directors present therein are mentioned below:

Sr. No.	Date	Sr. No.	Date
1.	28.05.2011	4	14.02.2012
2.	10.08.2011	5.	31.03.2012
3.	14.11.2011		

S. No.	Name of Director	No. of Meeting attending during 2011-12		Last AGM	No. of Directorship in other Public Companies		No. of Committee positions held in other public companies	
		Board			Listed	Others	Chairman	Member
		Held*	Conducted					
1.	Mr. Anand Lakhotia	5	4	Yes	Nil	Nil	Nil	Nil
2.	Mr. Sudhir K Lakhotia	5	5	Yes	Nil	Nil	Nil	Nil
3.	Mr. Rama Shankar Lakhotia	5	5	Yes	Nil	Nil	Nil	Nil
4.	Mr. Rakesh Jain	5	3	Yes	Nil	Nil	Nil	Nil
5.	Mr. Hemant K. Sharma	5	4	No	Nil	Nil	Nil	Nil
6.	Mr. Vinod Kumar Jain	5	2	No	Nil	Nil	Nil	Nil

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

Note:

- None of the Directors of your Company is a member of more than 10 Committees or is the Chairman of more than five Committees across all the Public Companies in which they are Directors.
- The directorship/ committee membership is based on the disclosures received from the directors.

RESUME OF DIRECTOR PROPOSED TO BE APPOINTED

The brief resume of Director seeking appointment is appended herein above in the notice for calling Annual General Meeting

COMMITTEES OF THE BOARD

The Board has constituted the following standing Committees:

1. Audit Committee
2. Shareholders'/Investors' Grievance Committee
3. Remuneration Committee

AUDIT COMMITTEE

The purpose of the audit committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

i) Terms of reference

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending the appointment and removal of statutory and internal Auditors (whenever required), fixation of audit fee and also approval for payment for any other services.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with Management the quarterly / half yearly and the annual financial statements before submission to the Board, focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - Any Change in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance of legal requirement concerning financial statements.
 - Any related party transactions.
5. Reviewing with the management, statutory and internal Auditors, the adequacy and compliance of internal control system.
6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
7. Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit.
8. Discussion on internal Auditors significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory Auditors about the scope of audit as well as have post audit discussion to ascertain any area of concern.
11. Reviewing the Company's financial and risk management policies.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

Further the Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

ii) Composition:

The Audit Committee as on date comprises of four members, including one Mr. Rama Shankar Lakhotia, Promoter director and three Independent director viz. Mr. Rakesh Jain, Mr. Hemant K. Sharma and Mr. Vinod Jain. Mr. Hemant K. Sharma is heading the Committee.

During the year under review audit committee had met four times. No two meetings have a gap of more than 120 days in between them. During the year, five Committee Meetings were held on 28.05.2011, 10.08.2011, 14.11.2011 and 14.02.2012

The attendance record of the members of the Audit Committee for the FY 2011-12 is as under:

Name of the Member Director	No. of Meetings Held*	No. of Meetings attended
Mr. Hemant K. Sharma, Chairman	4	4
Mr. Rama Shankar Lakhotia, Member	4	4
Mr. Rakesh Jain, Member	4	3
Mr. Vinod Kumar Jain, Member	4	2

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

INVESTORS GRIEVANCE COMMITTEE

i) Terms of reference

1. To consider and review the queries/complaints received from Share/ Debenture Holders
2. To take steps to redress queries/ complaints and ensure speedy satisfaction to shareholders/ investors.
3. To work under the control & supervision of the Board of Directors

ii) Composition:

The Shareholders'/Investors' Grievance Committee as on date comprises three Members, including one is Promoter Director viz. Mr. Sudhir Kumar Lakhotia and two Independent Directors viz. Mr. Rakesh Jain and Mr. Hemant Jain. Mr. Rakesh Jain is the Chairman of the Committee and Mr. Sudhir K Lakhotia designated as the Compliance Officer.

Meeting and attendance:

The Constitution of the Committee and the attendance of each member of the Committee for the financial Year are given below:

Name of the Member Director	No. of Meetings Held	No. of Meetings attended
Mr. Rakesh Jain, Chairman	-	-
Mr. Sudhir K. Lakhotia, Member	-	-
Mr. Hemant K. Sharma, Member	-	-

During the year under review, No complaint was received from the shareholders, and accordingly no meeting was held during the year.

Role and Powers of Shareholders'/Investors' Grievance Committee:

The Investors' Grievance Committee shall have the following role, functions and responsibilities:

- (i) To look into and supervise the redressal of shareholders'/Investors' Complaints.

- (ii) To oversee the performance of the Registrars and Share Transfer Agents and recommend measures for overall improvement of the quality of investor services.
- (iii) To consider and approve transfer of shares, transmission of shares, dematerialization of shares, transposition of shares, issuance of duplicate share, deletion of names, splitting and consolidation of shares, etc.

REMUNERATION-CUM-COMPENSATION COMMITTEE

(i) 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.

(ii) Composition:

The Remuneration Committee as on date comprises three Members, all are Independent Directors viz. Mr. Anand Lakhotia, Mr. Hemant K. Jain and Mr. Rakesh Jain. Mr. Anand Lakhotia is the Chairman of the Committee.

Name of the Member Director	No. of Meetings Held	No. of Meetings attended
Mr. Anand Lakhotia, Chairman	-	-
Mr. Hemant K., Member	-	-
Mr. Rakesh Jain, Member	-	-

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.

GENERAL BODY MEETINGS

Date and venue of last three Annual General Meeting

Nature of Meeting	Date and Time	Venue	Special Resolution passed
Annual General Meeting	22 nd September 2011, 11.00 A.M.	G-2, Pramilla Plaza, Thatipur, Gwalior-474 011 Madhya Pradesh.	None
Annual General Meeting	30 th September 2010, 11.00 A.M.	G-2, Pramilla Plaza, Thatipur, Gwalior-474 011 Madhya Pradesh.	None
Annual General Meeting	28 th September 2009, 01.00 P.M.	G-2, Pramilla Plaza, Thatipur, Gwalior-474 011 Madhya Pradesh.	None

POSTAL BALLOT

No Ordinary or Special resolution was passed through Postal Ballot through during the year. Similarly no ordinary or special resolution requiring a postal ballot is being proposed at the ensuing Annual General Meeting.

DISCLOSURES

- (i) There are no materially significant transactions with the related parties' viz. Promoters, Directors or the Management, their subsidiaries or relatives conflicting with Company's interest. Suitable disclosures as required by the Accounting Standards (AS18) have been made in the Annual Report.
- (ii) In the preparation of the financial statements, the Company has followed the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- (iii) There were no penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

MEANS OF COMMUNICATION

- The Company communicates with the shareholders at large through its Annual report and publication of financial results.
- The Board of Directors of the Company approves and takes on record the Un-audited financial results within one month of the close of the quarter and the results are announced to all the stock exchanges where the shares of the company are listed. Further the highlights of the quarterly results in the prescribed Performa are published in the newspapers.

GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

- Date and Time: : 29th September 2012 at 04.00 P.M.
- Venue : Hotel Landmark, 47, Manik Vilas Colony, Infront Of Hanuman Mandir, Station Chouraha, Gwalior - 474001

b) Financial Year of the Company

The financial Year of the Company from April 1st to March 31st

- Tentative Schedule for financial Year 2012-13
- 1st Quarter ending June 30, 2012 : Declared on 09th August 2012
- 2nd Quarter ending September 30, 2012 : End of October 2012
- 3rd Quarter ending December 31, 2012 : End of January 2013
- Annual Result for the year ended March 31, 2012 : End of May 2013

c) Date of Book Closure/Record Date : 25th September to 29th September 2012 (Both Days inclusive)

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

e) Dividend Payment Date : Not Applicable as the Board has not recommended any dividend

- f) Listing of Equity Shares on Stock Exchanges : BSE Limited
Delhi Stock Exchange Limited,
Madhya Pradesh Stock Exchange Limited
- g) Listing Fee : Company has paid Annual listing fee of BSE Limited till financial year 2012-13
- h) Stock Code :
Delhi Stock Exchange : Not Available
Madhya Pradesh Stock Exchange : Not Available
Bombay Stock Exchange Code : 531597
- i) Registrar & Share Transfer Agents : Skyline Financial Services Private Limited
1st Floor, D-153A,
Okhla Industrial Area, Phase I,
New Delhi 110020
Email id: admin@skylinerta.com
- j) Market Price Data

Month	Value (In Rupee)		Volumes
	High	Low	
October, 11	31.50	26.10	7,46,000
November, 11	37.15	27.30	21,500
December, 11	30.05	27.30	34,400
January, 12	48.75	31.55	6,66,926
February, 12	47.50	32.60	15,696
March, 12	46.85	25.15	6,72,777

k) Dematerialization of Shares

The Shares of the Company are in compulsory demat segment and are available for trading in both depository systems , i.e. NSDL and CDSL. As on 31st March 2012, 90.23 % of the Company's total Listed Capital represents 3,548,300 shares were held in dematerialised form and the balance shares were held in physical form.

l) Outstanding GDRs/ADRs/Warrants or any other convertible instruments

Company does not have any GDRs/ADRs/Warrants or any other Convertible Instruments.

m) Address for Correspondence

The Correspondence may be addressed to Mr. Sudhir Lakhota, Director of the company, at the Registered Office of the Company at G-2, Pramila Plaza, Thatipur, Gwalior- 474011 or Skyline Financial Services Pvt. Ltd., at 1st Floor, D-153A, Okhla Industrial Area, Phase I, New Delhi 110020, , Tel. No. +91-11-2681 2682, 2681 2683, Email id admin@skylinerta.com

n) Investor Correspondence

- (i) For transfer of shares, payment of dividend on shares and any other queries relating to the shares is handled by the Company's Registrar & Share Transfer Agent at the following address:

M/s Skyline Financial Services Private Limited
 1st Floor, D-153A,
 Okhla Industrial Area, Phase I,
 New Delhi 110020
 Email- id admin@skylinerta.com

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

o) Shareholding Pattern

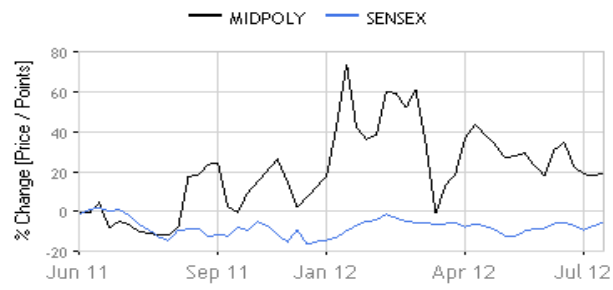
The shareholding pattern as on 31st March 2012:

	Category	No. of shares held	Percentage of Shareholding
A.	Shareholding of Promoter and Promoter Group		
(1)	Indian	0	0.00
(2)	Foreign	0	0.00
	Total	0	0.00
B.	Public Shareholding		
(1)	Institutions		
(a)	Mutual Funds/UTI	0	0.00
(b)	Financial Institutions/Banks	0	0.00
(c)	Foreign Institutional Investors	0	0.00
(d)	Any Other	0	0.00
	Sub Total	0	0.00
(2)	Non Institutions		
(a)	Bodies Corporate	908,451	23.10
(b)	Individuals	3,024,049	76.90
(c)	Any Other	0	0.00
	Sub Total	3,932,500	100.00
	Total (A+B)	3,932,500	100.00

p) Distribution of Shareholding as on 31.03.2012

Category (Amount)	No. of Shareholders	% of Shareholders	Total Number of Shares	% of Total Number of Shares
1 - 5000	754	82.14	332,698	8.46
5001 - 10000	11	1.20	10,090	0.26
10001 - 20000	6	0.65	9,925	0.25
20001-30000	12	1.31	33,205	0.84
30001-40000	14	1.53	50,100	1.27
40001 - 50000	10	1.09	44,900	1.14
50001 - 100000	32	3.49	290,423	7.39
100001 & Above	79	8.61	3,161,159	80.39
TOTAL	918	100.00	3,932,500	100.00

q) The Chart plots the movement of the Company's share prices on BSE versus BSE Sensex for the year 2011-12.



For and on behalf of the Board

Sd/-
Sudhir Kumar Lakhotia
Director

Sd/-
Anand Lakhotia
Director

Date: 25.08.2012
Place: Gwalior (M.P.)

Certificate by CEO/CFO on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement(s)

The Board of Directors
Midland Polymers Limited

We Anand Lakhota CFO & Sudhir K Lakhota, CEO of the Company responsible for the finance and overall functions of the company hereby certify that for the Financial Year 2011-12:

We have reviewed the financial statements and the cash flow statement and that to the best of our knowledge and belief: -

These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2011-12 which are fraudulent, illegal or violate the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.

We further certify that: -

- a. there have been no significant changes in internal control during this year.
- b. there have been no significant changes in accounting policies during this year.
- c. there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

Date: 25.08.2012
Place: Gwalior (M.P.)

Sd/-
Sudhir Kumar Lakhota
Chief Executive Officer

Sd/-
Anand Lakhota
Chief Financial Officer

Declaration by the CEO/CFO under Clause 49 of the Listing Agreement

As per requirement of Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has laid down a Code of Conduct for its Board of Directors and Senior Management.

We Anand Lakhota CFO & Sudhir K Lakhota, CEO of the Company confirm the compliance of this code by ourselves and other members of the Board of Directors and Senior Management personnel as affirmed by them individually, for the year ended 31st March, 2012.

Date: 25.08.2012
Place: Gwalior (M.P.)

Sd/-
Sudhir Kumar Lakhota
Chief Executive Officer

Sd/-
Anand Lakhota
Chief Financial Officer

CERTIFICATE

To,

The Board of Directors
Midland Polymers Limited

We have examined the compliance of conditions of corporate governance by M/s. Midland Polymer Limited for the year ended on 31.03.2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mention Listing Agreement.

We state that no grievance(s) is pending against the company as per the records maintained by the Company.

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

For Vishal Vijay & Associates
Chartered Accountant

Sd/-
Vishal Agarwal
(Proprietor)
M. No. 505226

Place: 30.05.2012

Date: Hapur

Independent Auditors' Report

To the members of Midland Polymers Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of Midland Polymers Limited which comprise the Balance Sheet as at 31st March, 2012, the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other additional informations.

2. Management's Responsibility for the financial statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 (to the extent applicable). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the 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:

- (i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012 and
- (ii) In the case of the Statement of Profit & Loss, of the loss of the company for the year ended on that date.
- (iii) In the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

5. Report on Other legal Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, 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 on the matters specified in paragraphs 4 and 5 of the said order.

B. As required by Section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and On the basis of written representations received from the directors as on March 31, 2012, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Emphasis on Matter:

Attention of the members is invited to the following notes:

Note No. 18 (iii) regarding non provision towards diminution in the value of investments or its realizable/recoverable value.

Note No. 18 (iv) regarding confirmation of loans given to Companies which are awaited and we have placed reliance on balances shown in the books of the Company.

Note No. 18 (x) on 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.

Date: 30.05.2012

Place: Hapur

For Vishal Vijay & Associates
Chartered Accountants
FRN NO.020462N

Sd/-
Vishal Agarwal
Proprietor
M. No.505226

Re: MIDLAND POLYMERS LIMITED.

1. The Company has maintained proper records showing full particulars including quantitative details & situation of its fixed assets.
2. The assets have been physically verified by the management at the year end. 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 not been disposed off by the Company during the year.
4. The company did not carry any inventory during the year. As such no physically 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 its 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. 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, 58AA or any other relevant provision of the Companies Act 1956 and the Companies (Acceptance of Deposits), Rules 1975 apply.
12. In our opinion, the company has a reasonable internal audit system, commensurate with the size and nature of its business.
13. The Central Government has not prescribed the maintenances of cost records under Section 209 (1) (d) of the Companies Act 1956.
14. 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 and other statutory dues applicable to it. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st march 2012 for a period of more than 6 months from the date they become payable.

15. 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.
16. In our opinion, the Company has accumulated losses as at the close of the financial year. The Company has incurred cash losses during the financial year covered by our audit. However in the immediately preceding financial year, there were no cash losses.
17. 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 its dues to financial institution or any bank during the year.
18. 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.
19. 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.
20. According to the information & explanations given to us and on the basis of an overall examination of the balance sheet of the company, we report that there are no funds raised by the company on short-term basis, which have been used for long- term investment and vice versa.
21. 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.
22. According to the information & explanations given to us, the company has not raised any debentures during the period covered by our audit report.
23. During the period covered by our audit report, the company has not raised any money by public issue.
24. 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.
25. The other provisions of the Order do not appear to be applicable for the year under report.

For Vishal Vijay & Associates
Chartered Accountants
Firm Registration No. 020462N

Sd/-
CA VISHAL AGARWAL
Proprietor
Membership No. 505226

Place: Hapur
Dated: 30.05.2012

Midland Polymers Limited

Balance Sheet as at 31st March, 2012

(Amount in Rs.)			
Particulars	Note	As At 31st March, 2012	As At 31st March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	39,325,000.00	39,325,000.00
(b) Reserves and Surplus	2	(19,815,184.00)	(19,576,781.00)
(2) Current Liabilities			
(a) Trade Payables	3	23,956.00	23,956.00
(b) Other Current Liabilities	4	55,028.00	75,485.00
Total Equity & Liabilities		19,588,800.00	19,847,660.00
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	5		
- Tangible Assets		17,145.00	19,915.00
(b) Non-Current Investments	6	620,000.00	620,000.00
(c) Long Term Loans and Advances	7	4,803,000.00	2,803,000.00
(2) Current Assets			
(a) Current Investments	8	2,360,179.00	-
(b) Trade Receivables	9	490,951.00	490,951.00
(c) Cash and cash equivalents	10	66,873.00	5,615,394.00
(d) Short-term loans and advances	11	9,189,343.00	10,298,400.00
(e) Other current assets	13	2,041,309.00	-
Total Assets		19,588,800.00	19,847,660.00

Significant Accounting Policies and Additional Informations 17 & 18

The Notes referred to above form an integral part of the Financial Statements

As per our separate report on even date

For Vishal Vijay & Associates

Chartered Accountants

FRN No. 020462N

For Midland Polymers Limited

CA. Vishal Agarwal
Proprietor
Membership No. : 505226

Sd/-
Sudhir Kumar Lakhotia
Director

Sd/-
Anand Lakhotia
Director

Place: Hapur
Date: 30.05.2012

Midland Polymers Limited
Statement of Profit and Loss for the year ended 31st March, 2012

Particulars	Note	(Amount in Rs.)	
		For the year ended 31st March, 2012	For the year ended 31st March, 2011
<u>Income:</u>			
Revenue from Operations	13	-	2,883,000.00
Other Income	14	338,626.00	3,261,238.00
Total Revenue		338,626.00	6,144,238.00
<u>Expenses:</u>			
Depreciation and Amortisation Expense	15	2,770.00	6,954.00
Other Expenses	16	574,259.00	551,620.00
Total Expenses		577,029.00	558,574.00
Profit/(Loss) Before Exceptional and Extraordinary Items and Tax		(238,403.00)	5,585,664.00
Exceptional Items		-	-
Profit/(Loss) Before Extraordinary Items and Tax		(238,403.00)	5,585,664.00
Extraordinary Items		-	-
Profit/(Loss) Before Tax		(238,403.00)	5,585,664.00
<u>Tax expense:</u>			
Current tax		-	-
Deferred tax		-	-
Profit/(Loss) from the Period from Continuing Operations		(238,403.00)	5,585,664.00
Profit/(Loss) from Discontinuing Operations		-	-
Tax expense of Discounting Operations		-	-
Profit/(Loss) from Discontinuing Operations		-	-
Profit/(Loss) for the Year		(238,403.00)	5,585,664.00
Earning per equity share of face value of Rs.10/- each			
(1) Basic		(0.06)	1.42
(2) Diluted		(0.06)	1.42

Significant Accounting Policies and Additional Informations

17 & 18

The Notes referred to above form an integral part of the Financial Statements

As per our separate report on even date

For Vishal Vijay & Associates

Chartered Accountants

FRN No. 020462N

For Midland Polymers Limited

CA. Vishal Agarwal
Proprietor
Membership No. : 505226

Sd/-
Sudhir Kumar Lakhotia
Director

Sd/-
Anand Lakhotia
Director

Place: Hapur
Date: 30.05.2012

Midland Polymers Limited

Cash Flow Statement for the year ended 31st March, 2012

(Amount in Rs.)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before taxation	(238,403)	5,585,664
Adjustments for:		
Depreciation / Amortisation	2,770	6,954
Profit on sale of Fixed Assets	-	3,123
Profit on Sale of Investments	-	(3,241,150)
Operating Profit before Working Capital Changes	(235,633)	2,354,591
Movements in Working Capital		
(Increase)/ Decrease in Inventories	-	-
(Increase) /Decrease in Sundry Debtors	-	895,956
(Increase)/ Decrease in Loans & Advances	(2,932,252)	(1,908,938)
(Decrease)/Increase in Current Liabilities	(20,457)	(334,068)
Cash Generated from Operating Activities	(3,188,342)	1,007,541
Direct Taxes paid	-	-
Net Cash (used in)/ from Operating Activities	(3,188,342)	1,007,541
II CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Proceeds from sale of Fixed Assets	-	2,500
Net Cash used in Investing Activities	-	2,500
III CASH FLOWS FROM FINANCING ACTIVITIES		
Net Proceeds/(Repayment) of Share Capital/Application	-	-
Net Proceeds of Short term Borrowings	-	-
Net Proceeds of working Capital Loans From Banks	-	-
Proceeds of Long Term Loans	-	-
Proceeds /(Repayment) of Unsecured Loans	-	-
Net Proceeds from Investments	-	4,541,150
Investments made	(2,360,179)	-
Interest Paid	-	-
Net Cash from Financing Activities	(2,360,179)	4,541,150

Net Increase/(Decrease) in Cash & Cash equivalents (5,548,521) 5,551,191

Cash & Cash Equivalents as at 31.3.2011 5,615,394 64,203
(Opening Balance)

Cash & Cash Equivalents as at 31.3.2012 66,873 5,615,394
(Closing Balance)

Notes :

Cash & Cash Equivalents include:	As At 31st March, 2012	As At 31st March, 2011
Cash in Hand	34,514	66,200
Balance with Scheduled Banks		
In Current Accounts	32,359	5,549,194
In Fixed Deposit Account	-	-
In Margin Money Account	-	-
Cash & Cash Equivalents	66,873	5,615,394

For Vishal Vijay & Associates
Chartered Accountants
FRN No.020462N

For Midland Polymers Limited

CA. Vishal Agarwal
Proprietor
Membership No. : 505226

Sd/-
Sudhir Kumar Lakhotia
Director

Sd/-
Anand Lakhotia
Director

Place: Hapur
Date: 30.05.2012

Midland Polymers Limited

Notes on Financial Statements for the year ended 31st March, 2012

Note : 1 Share Capital

(Amount in Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Authorised Share Capital: 45,00,000 Equity Shares of Rs. 10/- each.	45,000,000.00	45,000,000.00
		45,000,000.00	45,000,000.00
2	Issued, Subscribed and Paid up Share Capital: 39,32,500 Equity Shares of Rs. 10/- each, Fully	39,325,000.00	39,325,000.00
	Total	39,325,000.00	39,325,000.00

(The company has only one class of equity shares having a par value of Rs.10/- per share. Each Shareholder is eligible for one vote per share.)

1 (a) The details of Shareholders holding more than 5% shares:

Sr. No.	Name of the Shareholder	Current Year	Previous Year
1	Mr. Sudhir Lakhotia		
	-No. of Shares	-	1,913,650
	-% held	-	48.66
2	Mrs. Alka Lakhotia		
	-No. of Shares	-	529,900
	-% held	-	13.47
3	Skyline-MPL-SPA, Escrow Account		
	-No. of Shares	610,100	-
	-% held	15.51	-

1 (b) The reconciliation of the number of shares outstanding is set out below

Particulars	Current Year (No. of Shares)	Previous Year (No. of Shares)
1) Issued, Subscribed & Fully Paid up Share Capital:		
Equity Shares at the beginning of the year	3,932,500.00	3,932,500.00
Add: Shares issued during the year	-	-
Less: Shares buy-back during the year	-	-
Equity Shares at the end of the year	3,932,500.00	3,932,500.00

Note : 2 Reserves & Surplus

Sr. No	Particulars	Current Year	Previous Year
1	Profit & Loss Account		
	As Per last Balance Sheet	(32,099,602.00)	(37,685,266.00)
	Add: Profit for the year	(238,403.00)	5,585,664.00
	Sub Total	(32,338,005.00)	(32,099,602.00)
2	General Reserve		
	As Per last Balance Sheet	3,500,000.00	3,500,000.00
	Add: Addition for the year	-	-
	Sub Total	3,500,000.00	3,500,000.00
3	Capital Reserve		
	As Per last Balance Sheet	9,022,821.00	9,022,821.00
	Add: Addition for the year	-	-
	Sub Total	9,022,821.00	9,022,821.00
	Total	(19,815,184.00)	(19,576,781.00)

Note : 3 Trades Payable

Sr. No	Particulars	Current Year	Previous Year
1	Sundry Creditors for Material/Supplies	23,956.00	23,956.00
	Total	23,956.00	23,956.00

Note : 4 Other Current Liabilities

Sr. No	Particulars	Current Year	Previous Year
1	Expenses Payable	55,028.00	75,485.00
	Total	55,028.00	75,485.00

Midland Polymers Limited

Notes on Financial Statements for the year ended 31st March, 2012

Note : 5 Fixed Assets

(Amount in Rs.)

Description	Rate	G R O S S B L O C K				D E P R E C I A T I O N				N E T B L O C K	
		As at 01-04-2011	Additions	Deductions/ Adjustments	As at 31-03-2012	As at 01-04-2011	For the year	Deductions/ Adjustments	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011
Tangible Assets:											
Office Equipments	13.91%	178,019.00	0.00	0.00	178,019.00	158,104.00	2,770.00	0.00	160,874.00	17,145.00	19,915.00
Total		178,019.00	0.00	0.00	178,019.00	158,104.00	2,770.00	0.00	160,874.00	17,145.00	19,915.00
Previous Year		419,511.00	0.00	241,492.00	178,019.00	387,019.00	6,954.00	235,869.00	158,104.00	19,915.00	32,492.00

Midland Polymers Limited

Notes on Financial Statements for the year ended 31st March, 2012

Note : 6 Non Current Investment

(Amount in Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Investment in Equity Instrument	600,000.00	600,000.00
2	Investment in Government or Trust Securities	20,000.00	20,000.00
	Total	620,000.00	620,000.00

Note : 7 Long Term Loans and Advances

Sr. No	Particulars	Current Year	Previous Year
I)	Capital Assets -Secured & considered good	2,000,000.00	-
II)	Security Deposit -Secured & considered good	153,000.00	153,000.00
III)	Other Loans & Advances -Unsecured & considered good	2,650,000.00	2,650,000.00
	Total	4,803,000.00	2,803,000.00

Note :8 Current Investment

Sr. No	Particulars	Current Year	Previous Year
1	Investment in Mutual Fund	2,360,179.00	-
	Total	2,360,179.00	-

Note : 9 Trade Receivables

Sr. No	Particulars	Current Year	Previous Year
1	Outstanding for a period more than six months -Unsecured & considered good	490,951.00	490,951.00
	Total	490,951.00	490,951.00

Note : 10 Cash & Cash Equivalent

Sr. No	Particulars	Current Year	Previous Year
1	Cash-on-Hand	34,514.00	66,200.00
2	Balance with Banks	32,359.00	5,549,194.00
	Total	66,873.00	5,615,394.00

Note : 11 Short Terms Loans and Advances

Sr. No	Particulars	Current Year	Previous Year
1	Loans & Advances to related parties -Unsecured & considered good		
a)	Advance to Suppliers	2,000,000.00	2,000,000.00
b)	Advance to Others	7,189,343.00	8,298,400.00
	Total	9,189,343.00	10,298,400.00

Note : 12 Other Current Assets

Sr. No	Particulars	Current Year	Previous Year
1	Advance Income Tax/Refund Due/ MAT Credit Entitlement	2,041,309.00	-
	Total	2,041,309.00	-

Midland Polymers Limited

Notes on Financial Statements for the year ended 31st March, 2012

Note : 13 Revenue from Operations

(Amount in Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Brokerage Receipt	-	2,883,000.00
	Total	-	2,883,000.00

Note : 14 Other Income

Sr. No	Particulars	Current Year	Previous Year
1	Short & Excess	-	3,261,238.00
2	Interest Received	210,382.00	-
3	Dividend Received	128,244.00	-
	Total	338,626.00	3,261,238.00

Note : 15 Depreciation & Amortisation Expense

Sr. No	Particulars	Current Year	Previous Year
1	Depreciation	2,770.00	6,954.00
	Total	2,770.00	6,954.00

Note : 16 Other Expenses

Sr. No	Particulars	Current Year	Previous Year
1	Audit Fees		
	-Statutory Audit Fees	15,000.00	25,000.00
2	Travelling Expenses	30,150.00	115,607.00
3	Legal & Professional Expenses	109,369.00	311,793.00
4	Postage & Courier Expenses	1,535.00	6,355.00
5	Loss on sale of Fixed Assets	-	3,123.00
6	Rent , Rates & Taxes	358,453.00	77,177.00
7	Sundry Balance Written Off	-	11,111.00
8	Misc. Expenses	58,682.00	-
9	Bank Charges	1,070.00	1,454.00
	Total	574,259.00	551,620.00

Midland Polymers Limited

Note : 17 Significant Accounting Policies

- 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. **Use of Estimates:** The preparation of Financial Statements requires estimates & assumptions to be made that effect the reported amount of assets & liability on the date of financial statements and the reported amount of revenues & expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known\ materialised.
- iii. **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. No fixed asset has being revalued in the financial statement.
- iv. **Depreciation and Amortisation:** Depreciation for the year 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 is charged on the assets disposed off during the year.
- v. **Revenue Recognition:** Revenue from sale of goods is recognized upon passage of title to the customers, which generally consider with delivery. Revenue from other income is recognized on completion of services.
- vi. **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
- vii. **Investment:** Long term investments are stated at cost.
- vii. **Employees 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. **Taxes on Income:**

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

Note: 18 Additional Informations & Discloures

i) Contingent Liabilities

- a) Outstanding Capital Commitments: Rs. Nil (As certified by the Management.)
- b) Other Contingent Liabilities: Rs. 22,937 in respect of ESIC demand. (As certified by the Management.)
- ii) The Company was declared a Sick industrial Company on 18.10.2002 as per the provisions of Sick Industrial Companies Act, 1985 (SICA). Thereafter Net Worth of the Company turned positive as per the Audited Balance Sheet of 31.3.2009 and accordingly 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.”

iii) Investments

- a) 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.
- b) The Company holds unquoted share investments amounting Rs.6,00,000/- (Previous year Rs.6,00,000/-), which are considered good. No financial statement of the company is available. In the opinion of management, diminution in value of such investments is temporary. Hence, no Provision is made in accounts.
- iv) 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.
- v) No provision has been made in respect of doubtful advance of Rs. 20,00,000/- (previous year Rs. 20,00,000/-)
- vi) Advances, Sundry Debtors, Creditors are taken as per books awaiting their respective confirmations.
- vii) 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.
- viii) 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 is also worked out for the year as per AS-22.
- ix) As the company is production of plastic film only AS-17 on segment Reporting is not applicable to the company.

x) Related Party Transactions (AS-18)

Disclosure of transactions with related parties as required by Accounting Standard 18(AS-18), relating to Related Party Disclosure has been given in Para (b) & (c) below. Related parties as defined under clause 3 of the Accounting Standard have been identified on the basis of representation made by key managerial personnel and information available with the Company.

Midland Polymers Limited

a) Directors:

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

b) Parties Where Control Exists Controlled by

- Simplex Sales P Ltd.	Sh. Sudhir Lakhotia
- LA Plast Packs P Ltd.	Sh. Sudhir Lakhotia
- Tulip Plast Packs P Ltd.	Sh. Sudhir Lakhotia
- Paramarsh Advisors Pvt Ltd	Sh Sudhir Lakhotia
- Gupta Lakhotia & Associates	Sh. Anand Lakhotia

There are no transactions with Related Parties during the year.

xi) Earnings and Expenditure in Foreign Exchange Rs. Nil (Previous year Rs. Nil)

xii) In the opinion of board of directors, information/documents with the Company with respect to disclosures related to Micro, Small and Medium Enterprises Development Act, 2006, it has no information regarding the status of the service providers/suppliers as per the provisions of the said Act. In view of this, the above disclosure relating to the amount unpaid as at end of the year together with Interest paid/payable has not been given.

xiii) Basic & Diluted earning per equity share

For the purpose of calculation of basic & diluted earning per equity share, the following amounts are considered:

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Amount used as the numerators profit after tax (Rs.)	(-)2,38,403.00	55,85,664.00
Weighted average No. of equity shares	39,32,500	39,32,500
Basic & Diluted earning Per Equity Shares (Rs.)	(-)0.06	1.42

xiv) The Financial Statement for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI of the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the Financial Statement for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly the previous year's figures have also been reclassified to conform to the year's classification.

For Midland Polymers Limited

Sd/-
(Sudhir Kumar Lakhotia)
Director

Sd/-
(Anand Lakhotia)
Director

Auditor's Report
As per our attached report of even date
For Vishal Vijay & Associates
Chartered Accountants
FRN No.020462N

Sd/-
(Vishal Agarwal)
Proprietor
M.No.505226

Place: Delhi
Date : 30.05.2012

Midland Polymers Limited

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. :

							0	0	7	2	9	3
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Balance Sheet Date :

3	1	0	3	2	0	1	2
Date		Month			Year		

II. Capital raised during the year (Amount Rs.in Lacs):

Public Issue

	N	I	L						
--	---	---	---	--	--	--	--	--	--

Right Issue

	N	I	L						
--	---	---	---	--	--	--	--	--	--

Bonus Issue

	N	I	L						
--	---	---	---	--	--	--	--	--	--

Private Placement

	N	I	L						
--	---	---	---	--	--	--	--	--	--

III. Position of Mobilisation and Development of Funds (Amount Rs. in Lacs):

Total Liabilities

			1	9	5	.	8	9
--	--	--	---	---	---	---	---	---

Total Assets

			1	9	5	.	8	9
--	--	--	---	---	---	---	---	---

SOURCES OF FUNDS :

Paid up Capital

			3	9	3	.	2	5
--	--	--	---	---	---	---	---	---

Reserves and surplus

	N	I	L						
--	---	---	---	--	--	--	--	--	--

Secured Loans

	N	I	L						
--	---	---	---	--	--	--	--	--	--

Unsecured Loans

				5	0	.	0	0
--	--	--	--	---	---	---	---	---

APPLICATION OF FUNDS :

Net Fixed Assets

					0	.	1	7
--	--	--	--	--	---	---	---	---

Investments

				2	3	.	6	0
--	--	--	--	---	---	---	---	---

Current Assets

			1	4	1	.	4	9
--	--	--	---	---	---	---	---	---

Miscellaneous Expenditure

	N	I	L						
--	---	---	---	--	--	--	--	--	--

Accumulated Losses

			1	9	8	.	1	5
--	--	--	---	---	---	---	---	---

IV. Performance of Company (Amount Rs.in Lacs):

Turnover (including other income)

					3	.	3	9
--	--	--	--	--	---	---	---	---

Total Expenditure

					5	.	7	7
--	--	--	--	--	---	---	---	---

Profit/(Loss) before tax

					(2	.	3	8)
--	--	--	--	--	----	---	---	----

Profit/(Loss) after tax

					(2	.	3	8)
--	--	--	--	--	----	---	---	----

Earning per share in Rs.

		N	I	L					
--	--	---	---	---	--	--	--	--	--

Dividend Rate %

				0					
--	--	--	--	---	--	--	--	--	--

For and on behalf of the Board of Directors

Place: Hapur
Date: 30.05.2012

Sd/-
Sudhir Kumar Lakhotia
Managing Director

Sd/-
Anand Lakhotia
Director

MIDLAND POLYMERS LIMITED
G-2, Pramilla Plaza, Thatipur, Gwalior-474 011, Madhya Pradesh

ATTENDENCE SLIP
(To be handed over at the entrance of the Meeting Hall)
ANNUAL GENERAL MEETING
29th SEPTEMBER, 2012

Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting. Please complete this Attendance Slip and Hand over at the Entrance of Hall. Only Members or their Proxies are entitled to be present at the Meeting.

Name of the Shareholder / Proxy
L.F.
Address
No. of Shares held

I/We hereby record my / our presence at the Annual General Meeting of the Company held on Saturday, 29th September 2012.

Strike out whichever is not applicable

Signature of the Shareholder / Proxy

PROXY FORM

MIDLAND POLYMERS LIMITED
G-2, Pramilla Plaza, Thatipur, Gwalior-474 011, Madhya Pradesh

I/We
R/o.....being a
Member/Members of Midland Polymers Limited hereby appoint
Mr./Mrs.....
R/o.....or
falling him/herMr./Mrs.....R/o.....
as my / our proxy to vote for me / us on my / our behalf at the Twentieth Annual General Meeting of the members of the company to be held at Hotel Landmark, 47, Manik Vilas Colony, Infront Of Hanuman Mandir, Station Chouraha, Gwalior - 474001 at 04.00 PM On Saturday 29th September, 2012 and any adjournment thereof.

Send the Day of 2012

Signature.....
Address.....
Folio No.
No. of Equity Shares Held.....

Affix Revenue Stamp of 1/- Rupee

Notes:

1. Any member entitled to attend and vote at the Meeting is entitled to attend and either vote in person or by Proxy and the Proxy need not be a Member.
2. The proxy form duly signed across Revenue Stamp of Re.1.00 should reach the Company's Registered Office not less than 48 hours before the time for holding the aforesaid Meeting. The proxy need not be a Member of the Company.