



**Midland Services Limited**

PAN: AAACM1055G

CIN: L74140DL1985PLC020648

**MSL**

To  
The Head-Listing & Compliance  
Metropolitan Stock Exchange of India Ltd.  
Exchange Square,  
Suren Road, Chakala,  
Andheri (East),  
Mumbai-400093

Date: 10/10/2016

**Sub: Copy of Annual Report approved and adopted in the 31<sup>st</sup> Annual General Meeting.**

**Symbol: MIDSERV**

**Series: EQ**

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find herewith the attached copy of 31<sup>st</sup> Annual Report of the company, approved and adopted in the 31<sup>st</sup> Annual General Meeting, held on Thursday, 29<sup>th</sup> Day of September, 2016, at the registered office of the company at 2:00 P.M.

This is for your kind informations and record please.

Thanking You  
Yours faithfully,

For Midland Services Limited



**Kunjbihari Yadav**  
**(Company Secretary)**  
**M.N. ACS31626**

Encl: As above

**Reg Office: 816, Vishwadeep Building, 8th Floor, District Centre, Janakpuri, New Delhi-110058**

**Landline : + 91-11-41076611**

**Email : cs@midlandservicesltd.com**

**Website : www.midlandservicesltd.com**



# **MIDLAND SERVICES LIMITED**



**31<sup>st</sup> ANNUAL REPORT  
2015-2016**

**Board of Directors**

Shri Gautam Chatterjee	- Managing Director &CEO
Shri Manan Mahajan	- Director-Finance
Shri Harvinder Singh Dhani	- Independent Director
Shri Rakesh Kumar Sharma	- Independent Director

**Chief Executive Officer**

Shri Gautam Chatterjee

**Company Secretary & Compliance Officer**

Mr. Kunjbihari Yadav

**Registered Office**

816, Vishwa Deep Building, 8<sup>th</sup> Floor, District Center  
Janakpuri, New Delhi – 110058  
CIN: L74140DL1985PLC020648  
PH.: +91-11-41076611  
E-Mail: [manan.mahajan@midlandservicesltd.com](mailto:manan.mahajan@midlandservicesltd.com)

**Auditors**

Sharat Sekhri & Co.  
Chartered Accountants  
69, Kennedy Avenue  
Amritsar (Punjab)  
Ph:-0183-2222650

**Share Transfer Agent**

RCMC Share Registry Pvt. Ltd.  
B-25/1, First Floor  
Okhla Industrial Area, Phase - II  
New Delhi – 110020

**Bankers**

Kotak Mahindra Bank Ltd.  
Janakpuri, New Delhi  
Axis Bank Ltd.  
Janakpuri, New Delhi  
Yes Bank  
Kirti Nagar, New Delhi

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## NOTICE

**NOTICE** is hereby given that the Thirty First Annual General Meeting of the Members of Midland Services Limited will be held on Thursday, 29<sup>th</sup> day of September, 2016 at 2:00 P.M. at the registered office of the company, 816, Vishwa Deep Building, 8<sup>th</sup> Floor, District Center, Janakpuri, New Delhi-110058, to transact the following businesses:-

### **Ordinary Businesses:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2016, and Statements of Profit & Loss for the year ended on that date together with Report of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri Gautam Chatterjee (DIN- 06916786), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Statutory Auditors of the company and to fix their remuneration.  
To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to the provisions of section 139, 142 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and such other applicable provisions, if any, of the Act or Rules, pursuant to the recommendations of the Audit Committee and pursuant to the resolution passed by the members at the 31<sup>st</sup> Annual General Meeting **held on Thursday, 29<sup>th</sup> day of September, 2016**, the company hereby ratifies the appointment of M/s Sharat Sekhri & Co. Chartered Accountants, Punjab (FRN.-001274N), as Statutory Auditors of the company to hold office till the conclusion of the next Annual General Meeting to be held in the calendar year 2017, and that the board of directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be determined by the Audit Committee in consultation with Auditors

### **Special businesses:**

Pursuant to Section 110 of the Companies Act, 2013 (the Act) read with Rules 20 and 22 of the Companies (Management and Administration) Rules 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) the company is seeking the consent of its members for the below mentioned resolutions by way of Postal Ballot which includes voting by electronic means (remote e-voting).

The explanatory statements pertaining to the resolutions proposed in this notice setting out all material facts and a reason thereof along with Postal Ballot Form is annexed herewith for your consideration.

The Board of Directors of the company at its meeting held on August 26, 2016, has appointed Mr. Abhishek Jain of M/s Abhishek J & Co., Practicing Company Secretaries, New Delhi as Scrutinizer

for conducting the postal ballot (physical and remote e-voting) & poll process in accordance with the law in a fair and transparent manner.

The businesses of the Postal Ballot shall, in addition to physical voting, also be transacted through Electronic Voting System. Accordingly, the Company, in compliance with Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), provides the Members with the facility to exercise their right to vote on the matter set out in the Postal Ballot by electronic means i.e. through electronic voting system of National Securities Depository Services Limited (NSDL).

However, those Members, who do not have access to e-voting facility can send their assent or dissent in writing on the Postal Ballot Form attached. It is pertinent to note that the Shareholder(s) can opt for only one mode of voting, i.e. either by remote e-voting or voting by physical mode. If you are opting for e-voting, then do not vote by physical Postal Ballot and vice versa. However, in case Shareholders cast their vote by physical ballot and e-voting, then voting done through e-voting will prevail and voting done through physical ballot will be treated as invalid. After you vote, the vote cannot be changed subsequently.

Members are requested to read the instructions printed on the Postal Ballot Form and return the same in original, duly completed and signed in the self-addressed postage envelop, so as to reach the Scrutinizer before the close of working hours (5:00 pm) on Wednesday, September 28, 2016. Please note that any Postal Ballot Form(s) received after the said date will be treated as if reply from the Member has not been received. Members who have not received Postal Ballot forms may apply to the Company / RTA and obtain a duplicate thereof.

The Scrutinizer will submit his report to the Chairman or in his absence, any person authorized by him, after the completion of the scrutiny of the Postal Ballots (physical and e-voting) and poll. The results of the voting by Postal Ballot/e-voting and poll will be announced by the Chairman of the Company or in his absence, any person authorised by him, on Thursday, September 29, 2016 at 4:00 pm at the Registered Office of the Company.

The results of the Postal Ballot/e-voting and poll, along with the Scrutinizer's report, will on such announcement date, be posted on the Company's website: [www.midlandservicesltd.com](http://www.midlandservicesltd.com) and NSDL e-voting website: [e-voting@nsdlindia.com](mailto:e-voting@nsdlindia.com), besides communicating to the Stock Exchanges where the Company's shares are listed. The date of declaration of the results of the Postal Ballot/e-voting and poll by the Company shall be deemed to be the date of passing of the said Resolution.

#### **4. Alteration of Object Clause of the Memorandum of Association of the Company**

To Consider and, if thought fit, to assent/dissent, the following resolution as a **Special Resolution**:

Ø**RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment there to or re-enactment thereof), and subject to the necessary approval(s), if any, from the competent authorities, the existing clause III (B) 12 and (B) 18 of the Incidental or Ancillary Objects to attain the main object of Memorandum of Association of the company be alter by replacing it with the following clause III (B) 12 and (B) 18;

12. *“To do business of investment and trading in shares, stocks, debentures stocks, bonds, mutual fund units and convertible and non convertible securities and instruments, obligation and securities issued or guaranteed by Indian or Foreign governments, state governments, municipalities or public authorities or bodies; trading in commodities of all kinds and descriptions including but not limited to Pulses, Staples, Spices, Packaged Foods, Bullion, Precious Metal, Jewellery etc., to enter into contracts in derivatives of all kinds and descriptions including commodities derivatives, equity derivatives, currency derivatives through any member of recognized Stock exchanges registered with Securities and Exchange Board of India and/ or commodities exchanges such as MCX, NCDX in India or abroad.”*
18. *“To provide event management, publicity and advertising and all types of auxiliary and incidental services to do all or any of the above things either as principals, agent trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees and otherwise”*

**“RESOLVED FURTHER THAT** the Board of Directors or Company Secretary of the Company be and are/is hereby authorized jointly/severally to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid resolutionsö

## 5. Issue of Bonus Shares

To Consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** in accordance with demand raised by the members in the last year Annual General Meeting, upon recommendation of the Board of Directors of the company and pursuant to the provisions of Section 23.63 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) enactment(s) or re-enactments(s) thereof for the time being in force) read with Companies (Share Capital and Debentures) Rules 2014 and Article 225 of the Article of Association of the Company and subject to the regulations issued by Securities Exchange Board of India (SEBI) in this behalf and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities, consent of the members be and is hereby accorded to board of directors of the Company (the boardö which term shall be deemed to include any committees thereof) for capitalizing of a sum upto Rs.15156480 (rupees one crore fifty one lac fifty six thousand four hundred & eighty only) out of the sum standing to the credit of Security Premium Account, of the Company for the purpose of issue of Bonus Shares of Rs.10/- (Rupees Ten only) each, credited as fully paid-up to the holders of the Equity Shares of the Company whose names shall appear in the Register of Members on the Record Dateö determined by the Board or a Committee thereof for the purpose, in the proportion of 9 (Nine) Bonus equity share of Rs.10/- for every 10 (Ten) fully paid-up equity Shares of Rs.10/- each held by them and that the Bonus Shares so distributed shall, for all the purposes, be treated as an increase in the paid-up Capital of the Company held by each such Member, and not as income.ö

ö**FURTHER RESOLVED THAT** the Bonus shares so allotted shall rank Pari-Passu in all respects with and carry the same rights as the existing fully paid-up equity shares as on the Record Date ödetermined by the Board or a committee thereof for the purpose of issue of Bonus Shares.ö

ö**RESOLVED FURTHER THAT** the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company.ö

ö**RESOLVED FURTHER THAT** no letter of allotment shall be issued in respect of the Bonus Shares and in the case of Members who hold Shares or opt to receive the Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in certificate form, the share certificates in respect of the Bonus Shares shall be despatched, within such time as prescribed by law and the relevant authorities.ö

ö**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of such shares on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreements with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.ö

ö**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient, and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.ö

**6. Approval of related party transaction under Section 188 of the Companies Act,2013**

To Consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

ö**RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and Listing Agreement with the Stock Exchanges wherein the Equity Shares of the Company are listed and/or Regulation 23 or other applicable Regulations if any of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as öRegulationsö) to the extent of the applicability of the said Companies Act, 2013 and / or the Listing Agreement and/or the öRegulationsö, with respect to various categories / nature of transactions covered by the said Act and / or the Rules made there under and / or the listing Agreement, and / or the öRegulationsö, consent of the members be and is hereby accorded to the Board of Directors to enter into an agreement with Amanaya Ventures Limited, a company incorporated under Companies Act,1956 and having its registered office At Near City Centre Mall, Behind Old Car Bazar Dalhousie Road Pathankot Gurdaspur Punjab- 145001 (being a promoter of the company) for effecting the sale purchase of goods and receiving the various types of services for every year upto maximum per annum amounts as appended in table below:

S. No.	Name of the related party	Particulars of Transactions	Maximum Amt.(p.a.)
1.	Amanaya Ventures Limited (being a promoter of the company)	Sale of goods	Up to Rs. 50.00 crore
		Purchase of goods	Up to Rs. 50.00 crore
		Payment of various consultancy fees	Up to Rs. 10.00 crores



		Payment of Commission Fees	Up to Rs. 10.00 crores
		Rent Receipt	Up to Rs. 10 Lacs

ö**RESOLVED FURTHER THAT** the Board of Directors / Company Secretary of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.ö

**7. Approval of Inter corporate Loan/Investment/Guarantee etc. under Section 186 of Companies Act, 2013.**

To consider, and if thought fit, to pass with or without modification, following resolution as a **special resolution**:

ö**RESOLVED THAT** pursuant to the provisions of section 186 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company and subject to further approval of statutory and other authorities as may be necessary and subject to such terms, conditions, stipulations, alterations, and modifications, if any, as may be prescribed and specified by such authorities while granting such approvals and which may be agreed by the Board of directors of the Company (hereinafter referred to as the `Board' which expression shall include a Committee of directors duly authorized in this behalf) the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company to make investments and to provide loan, give securities, guarantee in excess of the 60 % of the aggregate of the paid-up share capital, free reserves and securities premium account or 100% of the aggregate of free reserves and securities premium account of the Company whichever is more, as the limits prescribed under section 186(2)of the Companies Act, 2013 in the bodies corporate as they may in their absolute discretion deem beneficial and in the interest of the Company subject to the maximum aggregate amount not exceeding Rs. 100 Crore at any time together with the existing loan and investments.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to negotiate the terms, condition, quantum of loan, repayment, interest and other related matters for providing any loan, guarantee and securities to the above said bodies corporate and to do all such deeds and things as may be deemed expedient and necessary to give effect to the aforesaid resolution.ö

**By order of the Board of Directors**

**Place** : New Delhi  
**Dated** : 26.08.2016

Sd/-  
 Kunjbihari Yadav  
**Company Secretary**

### NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. The proxies should, however, be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.
2. Members/Proxies attending the meeting are requested to bring the Attendance Slip duly filled in and their copy of Annual Report for reference at the meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.
4. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
6. The Register of Members and the Share Transfer Books of the Company shall remain closed from 19/09/2016 to 29/09/2016 (both days inclusive).
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in the physical mode are requested to advise any change of address immediately to the Company/Registrar and Transfer Agent, M/s RCMC Share Registry (P) Ltd.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintain their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Registrar and Transfer Agent, M/s RCMC Share Registry (P) Ltd.
9. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
10. Members desiring any information as regards Accounts are requested to write to the Company at its Registered Office at least 7 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.

11. Members are requested to quote folio number in all correspondences with the Company.
12. Documents referred to in the notice are open for inspection by the members at the Registered Office of the Company on all working days during office hours except Saturday and Sunday between 11:00 A.M. to 1:00 P.M. up to the date of AGM.
13. Members may also note that the Notice of the 31<sup>st</sup> Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for 2016, will also be available on the Company's website [www.midlandservicesltd.com](http://www.midlandservicesltd.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: [cs@midlandservicesltd.com](mailto:cs@midlandservicesltd.com).
14. Shri Gautam Chatterjee, director retire by rotation and, being eligible, offer for re-appointment at the Annual General Meeting. A brief resume of the said directors is given below.

<b>Name</b>	Gautam Chatterjee
<b>DIN</b>	06916786
<b>Age</b>	62
<b>Qualification</b>	BA(Hons) from University of Delhi
<b>Expertise in Specific Area</b>	Finance and Insurance advisory
<b>Date of first Appointment on the Board of the Company</b>	22/09/2014
<b>Shareholding</b>	370000
<b>List of Directorship in other companies</b>	NIL
<b>Membership/Chairmanships in Committees</b>	Refer to Report on Corporate Governance

***PROCESS FOR MEMBERS OPTING FOR E-VOTING***

*In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 & 22 of the Companies(Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company will be providing members facility to exercise their right to vote on resolutions of special businesses proposed to be considered at the ensuing Annual General Meeting (AGM) by Postal Ballot means and the businesses through Remote e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The detailed procedure to be followed in this regard has been given in Annexure – A to the notice. The members are requested to go through them carefully.*

**Explanatory Statement in respect of Special Business Pursuant to Section 102 (1) of the Companies Act, 2013 (“The Act”)**

The following Statement sets out all material facts relating to the Special Business mentioned in accompanying Notice:

**Item No. 4**

**Alteration of Object Clause of Memorandum of Association of the Company**

The company wants to diversify its businesses in the field of event management, publicity & advertising and other types of auxiliary and incidental businesses/services. In view of the requirements the Object clause is proposed to be amended as under;

12. *“To do business of investment and trading in shares, stocks, debentures stocks, bonds, mutual fund units and convertible and non convertible securities and instruments, obligation and securities issued or guaranteed by Indian or Foreign governments, state governments, municipalities or public authorities or bodies; trading in commodities of all kinds and descriptions including but not limited to Pulses, Staples, Spices, Packaged Foods, Bullion, Precious Metal, Jewellery etc., to enter into contracts in derivatives of all kinds and descriptions including commodities derivatives, equity derivatives, currency derivatives through any member of recognized Stock exchanges registered with Securities and Exchange Board of India and/ or commodities exchanges such as MCX, NCDX in India or abroad.”*
18. *“To provide event management, publicity and advertising and all types of auxiliary and incidental services to do all or any of the above things either as principals, agent trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees and otherwise”*

The alteration of MOA requires the approval of the shareholders by means of a Special Resolution pursuant to Section 13 of the Act. Further, in terms of the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules 2014, the approval of the shareholders shall be taken through Postal Ballot in case of alteration of the objects of MOA of the Company.

Hence the approval of the shareholders is being sought through Postal Ballot/e-voting.

The Board of Directors in its meeting held on August 26, 2016 has accorded its approval for alteration of MOA. Your Directors recommend the same for approval of the shareholders to be passed as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution.

You are requested to communicate your assent or dissent for the aforesaid resolution, in accordance with the instructions set out herein.

**Item No. 5**

**Issue of Bonus Shares**

The Board of Directors of the Company in its meeting held on August 26, 2016, has recommended for approval of the shareholders, issue of bonus shares to the holders of equity shares of the

Company in the ratio of 9:10 (i.e. Nine bonus equity share of ` 10/- each for every Ten fully paid up equity shares of ` 10/- each held) by increasing the Issued, Subscribed and Paid-up Share Capital of the Company to a sum not exceeding 3,19,970,30/-(Three Crore, Nineteen lac Ninty Seven thousand & thirty only) after capitalizing a sum not exceeding ` 15156480/- (One Crore Fifty One Lakhs Fifty Six Thousand Four Hundred & eighty only) from the Securities Premium Account, as per the Audited Accounts of the Company for the financial year ended March 31, 2016, and the same is proposed to be applied in paying up in full not exceeding 1515648 Equity Shares of ` 10/- each.

The fully paid-up Bonus Shares shall be distributed to the Members of your Company, whose names shall appear on its Register of Members on the Record Date to be determined by the Board of Directors of your Company (which term shall be deemed to include any Committee thereof) for the purpose of issue of Bonus Shares, in the proportion of 9(Nine) Bonus Share of ` 10/-each for every 10 (Ten) Equity Shares of ` 10/- each held by them on the Record Date.

The Bonus Shares so allotted shall rank pari passu in all respects with the fully paid-up Equity Shares of the Company as existing on the Record Date fixed for the purpose of issue of such Bonus shares, save and except that they shall not participate in any dividend that may be declared before the Record Date if Directors of your Company are interested in this Resolution to the extent of their respective shareholdings in the Company.

The Board of Directors of your Company recommends this Resolution for your approval.

**Item No. 6**

**Approval of related party transaction under Section 188 of the Companies Act, 2013**

Section 188 of the Companies Act, 2013 read with rules 15 and 16 of Companies (Meeting of Board and its Powers) Rules 2014, prescribed certain procedures for approval of related party transactions. Regulation 23 of SEBI (LODR) Regulations 2015, has also prescribed seeking of shareholders approval for material related party transactions.

The proviso to Section 188 of Companies Act, 2013, also states that nothing in Section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis.

All the proposed transactions put up for approval are in ordinary course of business and at arm's length. Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the following contracts/arrangements/transactions are material in nature and required the approval of the unrelated shareholders of the company by way of special resolution:

The rationale of the contract is to utilize the strong presence of Amanaya Ventures Limited in the Northern Region of India in order to improve the sale purchase channel of the company and synergizing the businesses of the company in this region. The particulars of the transaction which is proposed to be entered into by the Company are provided in brief herein below;

S. No.	Name of the related party	Particulars of Transactions	Maximum Amt.(p.a.)
1.	Amanaya Ventures Limited (being a promoter of the company)	Sale of goods	Up to Rs. 50.00 crore
		Purchase of goods	Up to Rs. 50.00 crore

		Payment of various consultancy fees	Up to Rs. 10.00 crores
		Payment of Commission Fees	Up to Rs. 10.00 crores
		Rent Receipt from Amanaya Venture Limited	Up to Rs. 10 Lacs

The above contracts/arrangements/transactions were omnibus approved by the Audit Committee at its meeting held on August 26, 2016, and recommended by the Board of Directors to the shareholders of the company for their approval.

None of the promoter, director, Key Managerial Personnel, or their Relatives, either directly or indirectly in any way concerned or interested in the above Resolution except Amanaya Ventures Ltd. as promoter of the company and Mr. Manan Mahajan by virtue of his position as director in both the companies.

**Item No. 7**

**Approval of Inter-corporate loan/guarantee/investment etc. under Section 186 of Company Act 2013**

According to the section 186 of the Companies Act, 2013, the Company require the consent of the shareholders of the Company in general meeting by way of special resolution for authorizing the Board of Directors to make investments and to provide loan, give securities, guarantee in excess of the 60 % of the aggregate of the paid-up share capital, free reserves and securities premium account or 100% of the aggregate of free reserves and securities premium account of the Company whichever is more, as the limits prescribed under section 186(2)of the Companies Act, 2013 in the bodies corporate as they may in their absolute discretion deem beneficial and in the interest of the Company

Investments, loan, give securities and guarantee shall not exceed the maximum aggregate amount of Rs. 100 Crore at any time together with the existing loan and investments.

Your Directors, therefore, recommend the resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution

**By order of the Board of Directors**

Place : New Delhi  
Dated : 26.08. 2016

Sd/-  
Kunjbihari Yadav  
Company Secretary

*Annexure A to the notice*

**1. *Instructions for the voting through electronic means***

- (i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 (Amended Rules 2015) and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 31<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by National Securities Depository Limited (NSDL).
- (i) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- (ii) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (iii) The remote e-voting period commences on September 23, 2016 (9:00 a.m) and ends on September 28, 2016 (5:00 p.m). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of September 21, 2016**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (i) The Board of Directors at their meeting held on August 26, 2016, have appointed Mr. Abhishek Jain, Company Secretary in Practice, as the scrutinizer for e-Voting to unblock the votes in favour or against, if any, and to report forthwith to the Chairman. The scrutinizer will be responsible to conduct e-Voting in a fair and transparent manner.

2. **The process and manner for remote e-voting are as under:**

In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:

Open email and open PDF file viz; òremote e-voting.pdfö with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

- (i) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (ii) Click on Shareholder ó Login
- (iii) Put user-Id and Password as initial password noted in step (ii) above. Click Login.
- (iv) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- (vi) Select òEVENö of Midland Services Limited.
- (vii) Now you are ready for e-Voting as Cast Vote page opens.
- (viii) Cast your vote by selecting appropriate option and click on òSubmitö and also òConfirmö when prompted.
- (ix) Upon confirmation, the message òVote cast successfullyö will be displayed.
- (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [csabhishek2@gmail.com](mailto:csabhishek2@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- (xii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- (xiii) If you are already registered with NSDL for e-voting then you can use your existing user-Id and password for casting your vote.



- (xiv) The e-Voting period commences on September 23, 2016 (9:00 a.m) and ends September 28, 2016 (5:00 p.m). During this period shareholders of the Company, holding shares either in physical form or in dematerialized , may cast their vote electronically. The e-Voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the shareholder, the shareholder will not be allowed to change it subsequently.
- (xv) The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- (xvi) Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 21<sup>st</sup> September, 2016, may obtain the user ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [evoting@in.nestle.com](mailto:evoting@in.nestle.com) . However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- (xvii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for the ordinary businesses for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting ballot facility.
- (xviii) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (xix) The Results shall be declared on or after the General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.midlandservicesltd.com](http://www.midlandservicesltd.com) The results shall also be immediately forwarded to the Metropolitan Stock Exchange of India Ltd.(formerly known as MCX-SX),Mumbai.
- (xx) Mr. Kunjibhari Yadav, Company Secretary of the company, is responsible for addressing the grievances and all other queries related to the voting at the venue of the AGM. His contact details; email: [cs@midlandservicesltd.com](mailto:cs@midlandservicesltd.com) , landline: +91-11-41076611.

## DIRECTOR'S REPORT TO THE MEMBERS

### DEAR MEMBERS

Directors of your Company have pleasure in presenting their Thirty first Annual Report on the affairs of the Company together with Audited Statements and the Auditors' Report for the financial year ended March 31, 2016. The summarized financial results for the financial year are as under;

### FINANCIAL HIGHLIGHTS

(Amt. in Rs.)

Particulars	Current Year 31.03.2016	Previous Year 31.03.2015
Net Sales	34069254	1046995
Other Income	1343799	336503
Total Income	<b>35413053</b>	<b>1383498</b>
Total Expenditure	<b>34866472</b>	<b>1964014</b>
Profit/Loss before depreciation & taxation	<b>620667</b>	<b>(580516)</b>
Less: Depreciation	74086	0.00
Less: Provision for taxation	282077	(179429)
Add: Prior period adjustment (Taxation)	0.00	0.00
Profit/Loss after taxation	264504	<b>(401087)</b>
Balance brought forward from previous year	(9492817)	(9091730)
Balance available for appropriation	264504	(401086)
Less: Dividend proposed/paid	0.00	0.00
Less: Interim Dividend	0.00	0.00
Balance carried to balance sheet	(9228313)	(9492817)

### STATE OF COMPANY'S AFFAIRS

During the year under review, the Company achieved net revenue from operations of Rs. **34069254/-** as against Rs. **1046995/-** in the previous year and made Profit before Tax (PBT) of Rs. **546581/-** as against Rs. **(580516)/-** in the previous year.

### DISCLOSURE OF CHANGE IN NATURE OF BUSINESS

The company is a trading company, currently, it is operating in the area of Agri-commodities & bullions and during the financial year it does not changed its nature of business.

### DIVIDEND

In view of the loss during the year, your Directors are unable to recommend any dividend.

### RESERVE

Since the Company has not declared any dividend out of profits during the year, therefore no any amount has been transferred to reserve.

## SHARE CAPITAL

The paid up equity capital as on March 31, 2016 was Rs.1,68,405,50 during the year under review.

Your Company has altered the share capital in the following manner during the financial year:

### RE-ISSUE OF 65,200 FORFEITED EQUITY SHARES:

As per provisions of Article of Association of the Company, provisions of Companies Act, 2013 and rules made thereunder, Listing Agreement as amended, SEBI (ICDR) Regulations 2009, and other applicable provisions, if any, and pursuant to the approval of members on March 23, 2015, and by the Board of directors on September 07, 2015, the company has re-issued 65,200 forfeited equity shares at a price of Rs.32/-each during the financial year. The same numbers of equities were applied for listing on Metropolitan Stock exchange of India Ltd.

## FINANCE

Cash and cash equivalents as on March 31, 2016 was Rs. 1,59,00,881/-.

### FIXED DEPOSITS

Your Company neither accepted any deposits under chapter v of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, during the year, nor have any deposits without compliance under chapter v of Companies Act, 2013.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013 during the year.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your company has well defined and adequate internal controls and procedures, commensurate with its size and nature of its operations. This is further strengthened by the Internal Audit done concurrently.

The Internal Auditor evaluated the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board at a regular interval of time.

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As per provisions of the Section 135 of the Companies Act, 2013 and rules made thereunder, every company having net worth of Rs. Five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute CSR committee.

Since, the company is not falling in any of the above said criterion therefore your company did not constitute the CSR committee. However, the company donated a certain amount at interval of time to the charitable society for the welfare of blinds.

## CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Company is a trading company and it does not carry any manufacturing activities or any Research and Development programme. The company continues to take all possible steps to conserve energy in area of its operations

## FOREIGN EXCHANGE EARNINGS AND OUT-GO

During the financial year total;

Foreign Exchange Earnings	NIL
Foreign Exchange Outgo	NIL

## INDUSTRIAL RELATIONS

During the year, your Company enjoyed cordial relationship with employees at all levels.

## DIRECTORS & KEY MANAGERIAL PERSONNEL

S.No.	DIN/PAN	Name of Directors & KMPs	Designation	Date of Appointment	Date of Resignation
1.	06916786	Gautam Chatterjee	Managing Director	23/03/2015	---
2.	02217914	Manan Mahajan	Director	08/08/2014	----
3.	02119042	Harvinder Singh Dhani	Director	22/09/2014	----
4.	06929107	Rakesh Kumar Sharma	Director	22/09/2014	---
5.	ABWPC3086B	Gautam Chatterjee	CEO	23/03/2015	----
6.	BUFPK3206A	Kunjbihari Yadav	Company Secretary	01/09/2014	----

Director Mr. Gautam Chatterjee (**DIN - 06916786**) retires by rotation and, being eligible, offers themselves for re- appointment. The Directors recommend Mr. Gautam Chatterjee re-appointment as a Director of the company. Also the Company has received a declaration under Section 164(2) from Mr. Gautam Chatterjee in DIR-8.

All the independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015.

However, no any director or Key Managerial Personnel were appointed or resigned during the financial.

#### **ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and under regulation 25 of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees.

The manner in which the evaluation has been carried out has been explained in the Annexure-I of the Corporate Governance Report.

The Board of directors at its meeting held on March 22, 2016, has evaluated the performance of the Board, its committees and the Individual directors as per the Performance Evaluation Policy of the company.

#### **DECLARATION BY INDEPENDENT DIRECTORS AS REQUIRED UNDER SECTION 149(7) OF THE COMPANIES ACT, 2013**

Mr. Harvinder Singh Dhama, and Mr. Rakesh Kumar Sharma, Independent Directors of the Company have given their statement of declaration under Section 149(7) of the Companies Act, 2013 (the Act) that they meet the criteria of independence as provided in Section 149(6) of the Act, and their Declarations have been taken on record.

#### **FAMILIARIZATION PROGRAMMES FOR THE INDEPENDENT DIRECTORS**

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details of such familiarization programmes for the Independent Directors are posted on the website of the Company (For details, please visit [www.midlandservicesltd.com](http://www.midlandservicesltd.com)).

#### **NOMINATION & REMUNERATION POLICY**

Pursuant to the provisions of Section 178 (3) The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Nomination and Remuneration Policy details are stated in the Corporate Governance Report as Annexure-II.

#### **NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2015-16**

During the financial year 2015-16, the Board met 9(Nine) times, as on 29.05.2015, 30.06.2015, 29.07.2015, 12.08.2015, 07.09.2015, 05.11.2015, 24.12.2015, 09.02.2016, 22.03.2016 and four Audit Committee Meeting was held on 29.05.2015, 12.08.2015, 05.11.2015, & 09.02.2016.

The meeting of the Board was held periodically with not more than one hundred twenty days (120) intervening between two consecutive meetings of the Board.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review.
- 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.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The Contracts or arrangements entered into with related party along with justification for entering into such contract or arrangement, referred to in sub-section(1) of section 188 in the prescribed form No. AOC-2 is as per Annexure-III

## **SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

No any subsidiaries, joint ventures or associate companies have become or ceased during the financial year.

Your Company had no any subsidiaries, joint Venture or any associate company at all.

## **CODE OF CONDUCT**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings/ behaviors of any form and the Board has laid down the directives to counter such acts.

The Code has been posted on the Company's website [www.midlandservicesltd.com](http://www.midlandservicesltd.com).

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on

matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate knowledge in this regard.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Audit Committee of the Company has to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. Details of the vigil mechanism are posted on the company's website [www.midlandservicesltd.com](http://www.midlandservicesltd.com).

### **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. The details are available on the website of the company [www.midlandservicesltd.com](http://www.midlandservicesltd.com).

All Board of Directors and the designated employees have confirmed compliance with the Code.

### **THE BOARD EXPLANATIONS ON AUDITOR'S/ SECRETARIAL AUDITOR'S OBSERVATIONS**

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

*As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report. Certain observations made in the report with regard to Non-compliance of Proviso to Section 149(1) read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, w.r.t. appointment of at least one woman Director on the Board of the Company. As on 31.03.2016, there was no woman Director on the Board of the Company.*

*Under Review it was found that the company is falling under non -mandatory compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. However, the company is willing to comply the provision of the Companies Act, 2013, and is pursuing the suitable candidate to appoint on the Board.*

## **STATUTORY AUDITORS**

The Company's Auditors, M/s Sharat Sekhri & Co., Chartered Accountants (M. No. 017674) who retire at the ensuing Annual General Meeting of the company are eligible for re-appointment duly approved by Board of Directors of the Company in its Board Meeting held on 26<sup>th</sup> August, 2016, on the recommendation made by the Audit Committee upto 34<sup>th</sup> Annual General Meeting of the Company Subject to the rectification of the Members in the Annual General Meeting.

The Company has received written consent and a certificate prescribed u/s 141 of the Companies Act, 2013 from M/s Sharat Sekhri & Co., Chartered Accountants that their appointment if made, shall be in accordance with the condition as may be prescribed.

## **SECRETARIAL AUDIT REPORT**

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr. Tarun Saini, a company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the period 2015-16 is annexed herewith as "Annexure IV"

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure V" forming part of this report.

## **DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 21 of SEBI (LODR) Regulations 2015 the company has to constitute a business risk management committee. The Securities and Exchange Board of India has said that the top 100 companies must constitute risk management committees immediately, in line with its revised Regulations 2015 norms. Hence, your company is not liable to constitute the Risk Management Committee.

However, the board on a regular basis analyzed the risk associated with company's businesses and optimized the risk management strategies and find out at present the company has not identified any element of risk which may threaten the existence of the company.

## **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

During the year under review, there were no employees drawing remuneration as per limits specified under sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013.



## **MATERIAL CHANGES & COMMITMENTS**

No material changes and commitments affecting the financial position of the Company have occurred after the end of the financial year 2015-16 and till the date of this report.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year, there were no instances of significant and material orders passed by the regulators, courts or tribunals on the Company.

## **CODE OF CONDUCT COMPLIANCE**

As per Part-D of Schedule V of the SEBI (LODR) Regulations 2015, the declaration signed by the CEO, affirming compliance with the Code of Conduct by Directors and Senior Management, for the Financial period ended March 31, 2016 is annexed and forms part of the Directors Report **Annexure VI.**

## **REMUNERATION DETAILS OF DIRECTORS AND EMPLOYEES**

The details of remuneration paid to the directors and employees of your company are set out in **Annexure-VII.**

## **SHARES ISSUED UNDER EMPLOYEE STOCK OPTION SCHEME (ESOS): Nil**

## **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexure, together with the Certificate from the auditors of the Company regarding compliance with the requirements of various regulations and Schedule V of SEBI (LODR) Regulations 2015.

## **ACKNOWLEDGEMENTS**

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

**For and On behalf of the Board of Directors**

Place : New Delhi  
Date : 27.05.2016

Sd/-  
**Manan Mahajan**  
**Director-Finance**  
DIN: 02217914

Sd/-  
**Gautam Chatterjee**  
**Managing Director & CEO**  
DIN: 06916786

## ANNEXURE-I

### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, the Board has carried out the annual performance evaluation of its own performance, as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees and that of independent and non-independent directors was done by the Board excluding the director being evaluated. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

## ANNEXURE-II

### Nomination and Remuneration Policy

#### I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. In order to align with the provisions of the Companies Act, 2013 and the said SEBI Regulations 2015 the Nomination and Remuneration Committee amended the existing policy during the financial year.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

#### II. OBJECTIVE

The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

### III. DEFINITIONS

öBoardö means Board of Directors of the Company öCompanyö means öMidland Services Limited.ö

öIndependent Directorö means a director referred to in Section 149 (6) of the Companies Act, 2013.

öKey Managerial Personnelö (KMP) means

- (i) Chief Executive Officer or the Managing Director or the Manager,
- (ii) Company Secretary,
- (iii) Whole-time Director,
- (iv) Chief Financial Officer and
- (v) Such other officer as may be prescribed.

öNomination and Remuneration Committeeö shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

öPolicy or This Policyö means, öNomination and Remuneration Policy.ö

öRemunerationö means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

öSenior Managementö means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

### IV. GUIDING PRINCIPLES

The Policy ensures that

The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and

Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

## VI. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Formulate criteria for evaluation of Independent Directors and the Board.
- c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of every Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) To devise a policy on Board diversity.
- i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

## V. MEMBERSHIP

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements.
- c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

## VI. CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## VII. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

## VIII. COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## IX. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## XII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

### **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

### **Term / Tenure:**

1. Managing Director/Whole-time Director/Manager (Managerial Person):

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### **2. Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re- appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent

Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

**Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

**Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations.

**Retirement:**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**XIII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT**

**General:**

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

## **Remuneration to Managerial Person, KMP and Senior Management:**

### **1. Fixed pay:**

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

### **2. Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

### **3. Provisions for excess remuneration:**

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

## **• Remuneration to Non-Executive / Independent Director:**

### **1. Remuneration / Commission:**

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

### **2. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

### **3. Limit of Remuneration /Commission:**

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of Companies Act, 2013.

**4. Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**XIV. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

**XV. DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

**ANNEXURE-III**

Form No. AOC 2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm $\varnothing$  length basis:

a)	Name(s) of the related party and nature of relationship	There were no transactions not at arm $\varnothing$ length basis
b)	Nature of contracts/ arrangements/ transactions	
c)	Duration of the contracts / arrangements/ transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Date(s) of approval by the Board, if any	
f)	Amount paid as advances, if any	
g)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2. Details of material contracts or arrangements or transactions at arm $\varnothing$  length basis:

S.No.	Name of the related party and nature of relationship	Nature of Transactions	Duration	Salient Terms	Amount (in lac.)
1.	Amanaya Ventures Limited(Promoter company)	Sale of goods	ongoing	On arm $\varnothing$ length basis and in the ordinary course of business.	5.03
		Purchase of goods	ongoing		3.97
		Services Received	ongoing		4.50



a)	<b>Name(s) of the related party</b>	<b>Relationship</b>
	Amanaya Ventures Limited	Mr. Manan Mahajan is the director in both the company as well as M/s Amanaya Ventures Ltd. is the promoter company.
b)	Nature of contracts/ arrangements/ transactions	Various consulting and advisory services
c)	Duration of the contracts / arrangements/ transactions	Ongoing basis
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	As per mentioned in Agreement
e)	Date(s) of approval by the Board, if any	N.A
f)	Amount paid as advances, if any	N.A

ANNEXURE-IV

**SECRETARIAL AUDIT REPORT**

(FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016)

{Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}  
(Form MR-3)

To,  
The Members,  
**Midland Services Limited**  
Reg. Off: 103, Vishal Tower, District Center  
Janakpuri, New Delhi-110058

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **MIDLAND SERVICES LIMITED** (hereinafter called MSL/the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **MSL** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial period ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**Auditors' Responsibility**

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion. We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures. My report is neither an assurance as to the future

viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **MIDLAND SERVICES LIMITED** (the Company) for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; N.A
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; N.A
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; N.A.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; N.A. and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; N.A.
- (vi) Compliances/ processes/ systems under other applicable Laws to the Company are being verified on the basis of periodic certificate submitted to the Board of Directors of the Company.

I have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (b) The Listing Agreements with Stock Exchange

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

**Observations:**

*Composition of the Board of Directors of the Company is not in compliance with Clause 49(II)(A) of the Listing Agreement, and Section 149 (4) of the Companies Act, 2013.*

*Non-compliance of Proviso to Section 149(1) read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, w.r.t. appointment of at least one woman Director on the Board of the Company. As on 31.03.2016, there was no woman Director on the Board of the Company. However, the company is pursuing the suitable candidate to appoint on the Board.*

In terms of Section 203(iii) of the Companies Act, 2013, the Company Shall have Chief Financial Officer.

The Company has appointed CFO on 27<sup>th</sup> day of May 2016, as per terms of Section 203 of Companies Act, 2013.

**I further report that** as per Section 178(2), 149 (8) of the Companies Act, 2013, and SEBI(Listing obligations and disclosure requirements) Regulations 2015, the Nomination and Remuneration Committee of the Board was carried out performance evaluation of every director, KMP, and Independent directors of the company during the financial year under review.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors have not taken place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through were captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and Company is in process of reviewing & strengthening the same.

For Tarun Saini,  
Company Secretaries,

Sd/-  
(Tarun Saini)  
ACS No. : 32626  
C.P No. : 11990

Place: New Delhi  
Date: 27.05.2016

*This report is to be read with our letter of even date which is annexed as “Annexure A” and forms an integral part of this report.*

Annexure A

To,  
The Members,  
**MIDLAND SERVICES LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records, registers is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Tarun Saini**,  
Company Secretaries,

Sd/-  
(Tarun Saini)  
ACS No. : 32626  
C.P No. : 11990

Place: New Delhi  
Date: 27.05.2016

**(Annexure-V)**  
**Form No. MGT 9**  
**Extract of Annual Return**  
**As on the financial year ended on 31/03/2016**  
**[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

<b>I. REGISTRATION AND OTHER DETAILS:</b>		
(i)	CIN:	L74140DL1985PLC020648
(ii)	Registration Date	09/04/1985
(iii)	Name of the Company	MIDLAND SERVICES LIMITED
(iv)	Category/Sub-Category of the Company	Trading Company
(v)	Registered Office Address and Contact details	816, VISHWA DEEP BUILDING, 8 <sup>th</sup> FLOOR, DISTRICT CENTER, JANAKPURI, NEW DELHI-110058, E-mail id - <a href="mailto:Manan.mahajan@midlandservicesltd.com">Manan.mahajan@midlandservicesltd.com</a> , Phone: +91-11-41076611
(vi)	Whether Listed Company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent	RCMC Share Registry Private Ltd. B-25/1, Okhla Industrial Area, Phase -2, Near Rana Motors, New Delhi - 110020 Phone: 011-26387320/21 Fax -011-26387322

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

S. No.	Name and description of main products/services	NIC Code of the product/service	%to total turnover of the company
1.	Bullions, Agri Commodities, & Securities Trading	Group-661, Class-6611	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S.No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	%of shares held	Applicable Section
	N.A.	N.A.	N.A.	N.A.	N.A.

IV.SHAREHOLDING PATTERN (Equity share capital breakup as percentage of total equity)

(i) Category-wise shareholding

Category of shareholders		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>										
<b>(1) Indian</b>										
(g)	Individual/HUF	370000	NIL	370000	22.86	370000	NIL	370000	21.97	0.00
(h)	Central Govt	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
(i)	State Govt(s)	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
(j)	Bodies Corp.	292800	NIL	292800	18.08	305300	NIL	305300	18.13	0.05
(k)	Banks/FI	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
(l)	Any Otherí ..	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
	<b>Sub- total (A) (1)</b>	<b>662800</b>	<b>NIL</b>	<b>662800</b>	<b>40.94</b>	<b>675300</b>	<b>NIL</b>	<b>675300</b>	<b>40.1</b>	<b>(0.84)</b>
<b>(2) Foreign</b>										
(a)	NRI-Individuals	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
(b)	Other-Individuals	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
(c)	Bodies Corp.	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
(d)	Banks/FI	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
(e)	Any others---	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
	<b>Sub-total (A)(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>0.00</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of promoter(A)=A1+A2</b>		<b>662800</b>	<b>NIL</b>	<b>662800</b>	<b>40.94</b>	<b>675300</b>	<b>NIL</b>	<b>675300</b>	<b>40.1</b>	<b>(0.84)</b>
<b>B. Public shareholding</b>										
<b>1. Institutions;</b>										
(a)	Mutual Funds	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
(b)	Banks/FI	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
(c)	Central Govt.	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
(d)	State Govt.(s)	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
(e)	Venture Capital funds	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
(f)	Insurance Companies	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
(g)	FII's	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
(h)	Foreign Venture Capital funds	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
(i)	Others----	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.0	0.00
	<b>Sub-Total (B)(1)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>0.00</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non-Institutions</b>										
(a)	Bodies Corp.									
(i)	Indian	NIL	185000	185000	11.43	NIL	NIL	NIL	0.00	(11.43)
(ii)	Overseas	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00

<b>(b)</b>	<b>Individuals;</b>									
<b>(i)</b>	<b>Individual shareholders holding nominal share capital up to Rs. 1 lakh</b>	399874	7000	406874	25.13	413929	7000	420929	24.99	(0.13)
<b>(ii)</b>	<b>Individual shareholders holding nominal share capital excess of Rs. 1 lakh</b>	345681	18500	364181	22.50	482326	105500	587826	34.90	12.40
<b>(c)</b>	<b>Others---</b>	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
<b>Sub-total (B)(2)</b>		<b>745555</b>	<b>210500</b>	<b>956055</b>	<b>59.06</b>	<b>896255</b>	<b>112500</b>	<b>1008755</b>	<b>59.90</b>	<b>0.84</b>
<b>Total shareholding (B)=B1+B2</b>		<b>745555</b>	<b>210500</b>	<b>956055</b>	<b>59.06</b>	<b>896255</b>	<b>112500</b>	<b>1008755</b>	<b>59.90</b>	<b>0.84</b>
<b>C. Shares held by custodians for GDRs &amp; ADRs</b>		NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
<b>Grand Total (A+B+C)</b>		<b>1408355</b>	<b>210500</b>	<b>1618855</b>	<b>100</b>	<b>1571555</b>	<b>112500</b>	<b>1684055</b>	<b>100</b>	<b>NIL</b>

**(ii) Shareholding of Promoters**

S.No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/en cumbered To total shares	No. of shares	% of total shares of the company	% of shares pledged/e ncumbered to total shares	
<b>1.</b>	<b>Mr. Gautam Chatterjee</b>	<b>370000</b>	<b>22.85</b>	<b>0.00</b>	<b>370000</b>	<b>21.97</b>	<b>0.00</b>	<b>(0.88)</b>
<b>2.</b>	<b>M/s Amanaya Ventures Ltd.</b>	<b>292800</b>	<b>18.08</b>	<b>0.00</b>	<b>305300</b>	<b>18.13</b>	<b>0.00</b>	<b>0.05</b>



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S.No.	Particulars	Shareholdings of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
<b>1.</b>	<b>Mr. Gautam Chatterjee</b>				
	At the beginning of the year	370000	22.85	3,70,000	22.85
	Date wise Increase(✓)/decrease in promoters shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/bonus/sweat equity etc.)			NIL	NIL
	At the end of the year	3,70,000	22.86	3,70,000	21.97
<b>2.</b>	<b>M/s Amanaya Ventures Ltd.</b>				
	At the beginning of the year	2,92,800	18.08	2,92,800	18.08
	Date wise Increase (✓)/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)(07.09.2015)	-	-	(+12,500	(+0.05
	At the end of the year	2,92,800	18.08	3,05,300	18.13

**Notes;**

- (a) M/s Amanaya Ventures Ltd. acquired 12,500 equity shares out of 65200 forfeited equity shares, when the company re-issued the forfeited equity shares on 7<sup>th</sup> day of September, 2015.
- The company has re-issued the 65,200 forfeited equity shares of Rs. 10/-each, at an issued price of Rs 32/- (including a premium of Rs.22/-each) during the financial year.

As the result of above mentioned activities the percentage of the shareholdings of the promoters reduced/increased at the end of the year with respect to the total capital of the company.

(iv) Shareholding Pattern of top ten shareholders (other than Directors, promoters and holders of GDRs and ADRs):

S.No.	Particulars	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 shareholders				
1.	Magadh Holdings Pvt. Ltd.	1,85,000	11.42	--	---
2.	Darshan Singh	----	----	49000	2.91
3.	Balwinder Singh	---	---	49000	2.91
4.	Maninder Singh	---	---	45000	2.67
5.	Harpinder Singh	---	---	42000	2.49
6.	Ram Nayan	25,781	1.59	25,781	1.53
7.	Satwant Kaur	21,875	1.35	21,875	1.29
8.	Dalip Singh	21,875	1.35	21,875	1.29

9.	Kanwaljit Singh Bal	20,625	1.27	36250	2.15
10.	Rajni Mahajan	18,500	1.14	----	-----
11.	Gurdial Chand	18,500	1.14	18,500	1.09
12.	Ashok Kumar	15,625	0.96	----	----
13.	Gurdeep Singh	15,468	0.95	----	---
14.	Pardeep Kumar Acharjee	15,468	0.95	----	----
15.	Rattan Pal	-----	-----	18750	1.11

(v) Shareholding of Directors and Key Managerial Personnel:

S.No.	Particulars	Shareholding of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors shareholders				
	Mr. Gautam Chatterjee				
	At the beginning of the year	3,70,000	22.85	370000	21.97
	Date wise Increase(✓)/decrease in promoters shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/bonus/sweat equity etc.	---	-----	-----	-----
	At the end of the year	3,70,000	22.85	3,70,000	21.97

*Note: The percentage of the shareholding come down at the end of the year due to enhancement of the capital by 65200by re-issue of forfeited equity shares during the year.*

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
(i)	Principal Amt.	Nil	Nil	Nil	Nil
(ii)	Interest due but not paid	Nil	Nil	Nil	Nil
(iii)	Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)		Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year-					
• Addition		Nil	Nil	Nil	Nil
• Reduction		Nil	Nil	Nil	Nil
Net Change		Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year					
i) Principal Amt.					
ii) Interest due but not paid		Nil	Nil	Nil	Nil
iii) Interest accrued but not due		Nil	Nil	Nil	Nil

	Nil	Nil	Nil	Nil
<b>Total(i+ii+iii)</b>	Nil	Nil	Nil	Nil

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration of Directors and Key Managerial Personnel (In Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		MD	WTD	Manager	----	
1.	<b>Gross salary</b>					
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act,1961	Nil	---	---	----	Nil
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	Nil	--	---	---	Nil
	(c) Profits in lieu of salary under section 17(3) Income tax Act,1961	Nil	--	--	--	Nil
2.	<b>Stock option</b>	Nil	--	---	---	
3.	<b>Sweat Equity</b>	Nil	---	---	---	
4.	<b>Commission</b> -as % of profit -other, specify-----	Nil	---	---	---	
5.	<b>Others, please specify</b>	Nil	---	---	---	
	<b>Total (A)</b>	Nil	---	---	--	Nil
	<b>Ceiling as per the Act</b>					29095.44

### B. Remuneration to other directors (in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		-----	-----	-----	-----	
1.	<b>Independent Directors</b>					
	• Fee for attending board committee meetings	---	--	---	---	
	• Commission					
	• Others, please specify					
	<b>Total (1)</b>	Nil	Nil	Nil	Nil	Nil
2.	<b>Other Non-Executive Directors</b>					
	• Fee for attending board committee meetings	---	---	---	---	
	• Commission					
	• Others, please specify					
	<b>Total (2)</b>	Nil	Nil	Nil	Nil	Nil
	<b>Total (B)=(1+2)</b>	Nil	Nil	Nil	Nil	Nil
	<b>Total Managerial Remuneration</b>	Nil	Nil	Nil	Nil	Nil
	<b>Overall Ceiling as per the Act</b>					29095.44

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		CEO	Company Secretary	CFO	----	
1.	<b>Gross salary</b> (a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act,1961 (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act,1961	---	2.52	---	--	2.52
2.	Stock Option	--	---	---	---	--
3.	Sweat Equity	---	---	---	---	---
4.	Commission -as % of profit -others, specify	---	---	---	---	--
5.	Others, please specify	--	---	---	--	---
	<b>Total</b>	--	2.52	--	--	2.52

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFENCES IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

Date: 27.05.2016  
Place: New Delhi

## ANNEXURE-VI

### DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirements of Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this is to confirm that all the members of the Board and the Senior Management personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2016.

For **Midland Services Limited**

Sd/-  
Gautam Chatterjee  
Managing Director & Chief Executive Officer

Date: 29.04.2016  
Place: New Delhi

**CERTIFICATE OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON CORPORATE GOVERNANCE**

**The Board of Directors  
M/s Midland Services Limited**

- A. We, have reviewed the financial statements and the cash flow statement of Midland Services Limited for the financial year 2015-16 and that to the best of their knowledge and belief;
- I. These statements do not contain any materially untrue statement or omit any material facts 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. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which 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 have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware of and the steps taken and/or proposed to be taken to rectify these deficiencies.
- D. We have also indicated to the Auditors and the Audit Committee.
- (i) Significant changes in Internal Controls with respect to financial reporting during the year.
- (ii) Significant changes in accounting policies during the Year and these have been disclosed in the notes to the financial statements.
- (iii) To the best of our knowledge and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

Sd/-  
Gautam Chatterjee  
Managing Director & Executive Director

Sd/-  
Manan Mahajan  
Director (Finance)

Date: 27/05/2016

ANNEXURE-VII

Remuneration Details of Directors, KMPs and Employees

(Amt. in Lakhs)

- (1) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

S.No.	Directors Name	Remuneration in FY 2015-16	Median Remuneration of Employee	Ratio
1.	Mr. Gautam Chatterjee	0.00	0.00	0.00
2.	Mr. Manan Mahajan	0.00	0.00	0.00
3.	Mr. Harvinder Singh Dhani	0.00	0.00	0.00
4.	Mr. Rakesh Kumar Sharma	0.00	0.00	0.00

- (2) The percentage increase in remuneration of each director, chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

S.No.	Directors Name	Remuneration in FY 2015-16	Remuneration in FY 2014-15	% increase
1.	Mr. Gautam Chatterjee	0.00	0.00	0.00
2.	Mr. Manan Mahajan	0.00	0.00	0.00
3.	Mr. Harvinder Singh Dhani	0.00	0.00	0.00
4.	Mr. Rakesh Kumar Sharma	0.00	0.00	0.00
5.	Chief Executive Officer	0.00	0.00	0.00
6.	Company Secretary	2.52	2.16	16.67

- (3) The percentage increase in the median remuneration of employees in the financial year

Median Remuneration FY 2015-16	Median Remuneration FY 2014-15	% Increase
0.00	0.00	0.00

**Note:** Since the company has not appointed any employee during the financial year, all the transactions are handled by the existing directors, however, in the forthcoming financial year the company will appoint the employees, if required.

- (4) Number of permanent employees on the roll of company-NIL
- (5) **The explanation on the relationship between average increase in remuneration and company performance:**

The company follows performance appraisal methodology where in performances of employees is linked to the key deliverables and key control areas of the company. The increase in remuneration thus suggests better performance of the company in terms of profitability and stronger processes and controls, better compliances with various regulations an establishment of better relationship with stakeholders.

- (6) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company

Remuneration of KMP FY 2015-16 (Rupees in lac)	PAT of the Company FY 2015-16 (Rupees in lac)	Remuneration to PAT %
<b>2.52</b>	<b>2.64</b>	<b>95.45</b>

- (7) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

	FY 2015-16	FY 2014-15	% Increase
Employees Salary	0.00	0.00	0.00
Managerial Remuneration	2.52	2.16	16.66

The company follows performance appraisal methodology where in performances of employees are linked to the key deliverables and key control areas of the company.

- (8) Comparison of remuneration of each of the Key Managerial Personnel against the performance of the company

Particulars	Remuneration of KMP FY 2015-16	PAT of the Company FY 2015-16	Remuneration to PAT %
CEO	0.00	0.00	0.00
CS	2.52	2.64	95.45

- (9) The key parameters for any variable component of remuneration availed by the directors: NIL.
- (10) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

Remuneration of Highest paid Director	0.00
Remuneration of Employee	0.00
Ratio	0.00

- (11) Affirmation that the remuneration is as per the remuneration policy of the company:

It is affirmed that the remuneration is as per the remuneration policy of the Company.



# Management Discussion and Analysis Report

## Disclaimer

Some of the statements contained in this report may be forward looking in nature and may involve risks and uncertainties. Actual Results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward looking statements.

### (a) Industry Structure and Development

The Company Midland Services Limited (MSL) was not operational from a long period of time and it was acquired by the existing promoters in the month of September, 2014 and after acquisition the existing management is putting all its efforts in order to revive the business of the company. The company started its operations in the trading segment in the month of February, 2015. Being focused on the trading activities the existing management has decided to expand its activities in the commodities trading segment in near future. The Company has been making impressive progress in its business during the last years.

### (b) Opportunities, Threats and Concerns

Presented below is the management's assessment of some key potential opportunities and threats associated with the business. While the Management is looking to leverage such opportunities in an effective manner to optimize business advantages, it is also focused to create effective mitigates for all potential threats that could impact the business operations.

#### Opportunities

A good market segmentation strategy enables a company to significantly improve marketing effectiveness. In the case of Midland Services Limited the company is selectively targeting its products for trading activities in the current market scenario. The Company is currently focusing on expanding its operations in order to capture the market share. India has large segments of consumers and with an objective to explore the consumption story we believe that the commodity trading segment is one of the fastest growing segments, thus, to keep in view this sentiment the management has decided to enlarge its businesses in trading of various types of commodities.

#### Threats and Concerns

The Globalization has leveled the competitive playing fields between the industrial and emerging countries where competitors have an equal opportunity to sell their products in a free market without restrictions and the same applies in Indian context as well. Since the commodities market is more volatile so there is a requirement of a good market analyzer to control the losses arises from future.

The risks, which the management believes form a part of the company's business and tries to address the same, are Financial Risks, Business portfolio risks, Internal process risks, Legal and statutory risks, competition risks, Economic risks.

The Company has been facing difficulty also due to frequent changes in laws and the commodity trading is wholly depends upon the market demand and supply sentiments. The high level of fluctuations in the prices of the commodities will lead to revenue fluctuation of the company.

**(c) Segment Performance.**

The Company at present is engaged in the business of trading of commodities and securities and its shows a drastic improvement in its sales revenue from the last financial year. The particulars of trading items are given as follows;

Sr. No.	Name	Sales value (Rs.)	Stock in trade (Rs.)	Opening inventory (Rs.)
1.	Commodities & Securities	3,409,7099	7048399	2,960,255

**(d) Out Look**

Barring the aforesaid deterrents, the company does not foresee any major threats to its growth and market share in the coming years. The existing capacity should take care of the company's requirement at least for the next Five years and the Company does not foresee any significant obsolescence for its products.

**(e) Risks and Concerns**

The present risks and anticipated future risks are reviewed by the management of your company at regular intervals. Based on its past experiences, the management tries to remain vigilant about all prospective risks and takes suitable preventive measures to adequately safeguard its resources like men, machine & money, so that the business continues as usual even during difficult situations. Your company does not found any concerns towards its businesses that is harmonious to operate in the future except legal or other statutory concerns, market conditions, stiff competitions and other constraints that are beyond the control of the Managements.

**(f) Internal Control System and Their Adequacy**

The Company has engaged the services of independent professionals to carry out the internal audit and ensure that recording and reporting are adequate and proper, the internal controls exist in the system and that sufficient measures are taken to update the internal control system. The system also ensures that all transaction are appropriately authorized, recorded and reported. Exercises for safeguarding assets and protection against unauthorized use are undertaken from time to time. All these measures are continuously reviewed by the management and as and when necessary improvements are affected.

**(g) Discussion on Financial Performance with Respect to Operational Performance**

The financial performance during the year under reference was impressive in terms of sales in comparison of the previous financial year. Since the company was not operational since a long time but the existing management done a lot of effort and bring back into the operation from the month of February, 2015, into the area of bullions & commodities trading. The management of your company has committed to enlarge its business and increase its turnover in the forthcoming financial years.

**(h) Material Developments in Human Resources/Industrial relations front, including number of people employed.**

As on March 31, 2016 the company had 1 permanent employee at its office. The company will enlarge its business and will recruit as per requirement in the future.

The company enjoyed excellent relationship with the employees and its stakeholders during the last year.

The Board had approved policies on Related Party Transactions and other policies. All the policies have been uploaded on the Company's website, under the web link:  
<http://www.midlandservicesltd.com>.

**(i) Corporate Social Responsibility**

The management of your company is of the opinion that the company's contribution to the society should be of its own volition and not out of compulsion.

**Corporate Social Responsibility (CSR) Committee**

Since the company is not falling under the provisions of the Section 135 of the Companies Act, 2013, hence, it did not constitute a CSR Committee.

**Independent Directors Meeting**

During the year under review, the Independent Directors met on March 22, 2016, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

## CORPORATE GOVERNANCE REPORT

This report on Corporate Governance forms part of the Annual Report. This section besides being in compliance of the mandatory Listing Agreement with the Stock Exchange also gives an insight into the process of functioning of the Company. The Company is committed to transparency and business ethics in discharge of its corporate responsibilities.

### 1. Philosophy

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before they were mandated by the legislation. Transparency, integrity, professionalism and accountability - based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. Your company has fulfilled all the existing guidelines prescribed by the Securities and Exchange Board of India (SEBI) in chapter IV read with schedule V of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

### 2. Board of Directors

#### a. Composition, Category of Directors and their other directorship as on March 31, 2016.

Name of Directors	Designation/Category	Attendance Particulars		No. of other Directorship on other Public/Pvt. Companies	No. of shares held
		Board Meeting	Last AGM		
-----	-----			-----	-----
Mr.Gautam Chatterjee	Promoter (Managing Director & CEO)	9	Yes	NIL	3,70,000
Mr.Manan Mahajan	Non-executive (Director-Finance)	9	Yes	1	NIL
Mr. Harvinder Singh Dhani	Independent (Non-executive)	9	Yes	NIL	NIL
Mr.Rakesh Kumar Sharma	Independent (Non-executive)	9	Yes	NIL	NIL

**Note:** None of the above mentioned directors are related to each other.

The company has not provide any specific familiarization programme to independent directors of the company due to a small size of the operations and managements, however the company has drafted its familiarization policy and will comply in the forthcoming financial year. This policy is available on the company's website [www.midlandservicesltd.com](http://www.midlandservicesltd.com)

#### b. Board Meetings:

During the year ended March 31, 2016, Nine Board Meetings were held on May 29, June 30, July 29, August 12, September 07, November 05, December 24, 2015, & February 09, March 22, 2016.

### 3. COMMITTEES OF THE BOARD

#### a) Audit Committee

##### i) Terms of Reference:

Apart from all the matters provided in regulation 18 of SEBI (Listing obligations and disclosure requirements) Regulation, 2015 and section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company.

##### ii) Composition:

The Audit committee presently consists of two independent directors, Shri. Harvinder Singh Dhani, Shri. Rakesh Kumar Sharma and Shri. Manan Mahajan, Non-executive director. Shri Harvinder Singh Dhani has been designated as chairman of the committee. The committee met 4 times during the financial year ended March 31, 2016. The attendance record of the members at the meeting were as follows;

<b>Name of Member</b>	<b>Designation</b>	<b>No. of Meetings attended</b>
Mr. Harvinder Singh Dhani	Chairman	4
Mr. Rakesh Kumar Sharma	Member	4
Mr. Manan Mahajan	Member	3

### 4. Nomination and Remuneration Committee

The nomination & remuneration committee for nomination & remuneration of executive directors Presently consists of two independent Directors viz. Shri. Harvinder Singh Dhani, Shri. Rakesh Kumar Sharma and Shri. Manan Mahajan, Non-executive director. Shri Harvinder Singh Dhani is the chairman.

The committee met 1 time during the financial year ended March 31, 2016. The attendance record of the members at the meeting were as follows;

<b>Name of The Member</b>	<b>Designation</b>	<b>No. of meeting during the year attended</b>
Mr. Harvinder Singh Dhani	Chairman	1
Mr. Rakesh Kumar Sharma	Member	1
Mr. Manan Mahajan	Member	1

**The Company has chosen to adopt the following Performance Evaluation Process:**

#### **Independent Directors**

Some of the specific issues and questions that should be considered in the performance evaluation of an Independent Director, (the exercise in which the concerned director being evaluated shall not be included) are set out below:

S. No.	Assessment Criterion	Rating
1.	Attendance and participations in the Meetings and timely inputs on the minutes of the meetings	
2.	Adherence to ethical standards & code of conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest	
3.	Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings	
4.	Interpersonal relations with other directors and management	
5.	Objective evaluation of Board’s performance, rendering independent, unbiased opinion	
6.	Understanding of the Company and the external environment in which it operates and contribution to strategic direction.	
7.	Safeguarding interest of whistle-blowers under vigil mechanism and Safeguard of confidential information	

Based on the above criterion each of the Independent Directors has to be assessed by the other Directors (including other Independent Directors) by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total of the ratings so awarded will be averaged over the number of persons who have awarded the rating. Assistance in conducting the process of evaluation shall be provided by a person as authorized by the Board and for this purpose, such person shall report to Board.

#### 5. Remuneration of Directors:

Non-Executive Directors have not been paid any remuneration for attending the Board & Committee Meetings during the financial year.

S.No.	Name of the directors	Sitting fees	commission	total
1.	Mr. Harvinder Singh Dhama	0.00	0.00	0.00
2.	Mr. Rakesh Kumar Sharma	0.00	0.00	0.00
3.	Mr. Harvinder Singh Dhama	0.00	0.00	0.00

The Nomination and Remuneration Policy of your Company is disclosed in **Annexure II** to this Report.

#### 6. Stakeholders’ Grievances Committee

During the year 2015-16 the Stakeholders relationship committee that also acts as Share Transfer Committee met 2 times.

The attendance at the Shareholders/Investors Grievance Committee is given below;

Name of the Members	No. of meeting held	No. of meeting attended
Mr. Harvinder Singh Dhama	2	2
Mr. Rakesh Kumar Sharma		2
Mr. Gautam Chatterjee		2
Mr. Kunjbihari Yadav	Company Secretary & Compliance Officer	

During the year 2015-16, no any complaints were received from shareholders and investors.

## 7. General Body Meeting

The details of last three Annual General Meetings are given as follows:

Meeting/F.Y	Day, Date and Time of the Meeting	Venue	No. of Special Resolution passed
30 <sup>th</sup> AGM/(2014-15)	Friday, 28 <sup>th</sup> day of August, 2015 at 3:00 P.M	Hotel Metro View Inn, 9/8, Balraj Khanna Marg, East Patel Nagar, New Delhi-110008	one
29 <sup>th</sup> AGM/(2013-14)	Monday, 22 <sup>nd</sup> September, 2014 at 10:00 A.M	196, Sainik Farms New Delhi-110062	NIL
27 <sup>th</sup> AGM/(2012-13)	Monday, 23 <sup>rd</sup> day of September, 2013 at 10:00 A.M	196, Sainik Farms New Delhi-110062	NIL

### Postal Ballot/E-Voting during the year

The Company has not passed any special resolution through Postal Ballot during the financial year 2015-2016.

Also the company does not have any special resolution proposed to be conducted through postal ballot.

## 8. Means of Communication

The Quarterly Un-Audited (Provisional) Results and the Annual Audited Financial results of the company are sent to the stock exchange Metropolitan Stock Exchange of India Ltd.(öMSEIö) immediately after they are approved by the Board and are also published in one vernacular news paper viz. öAawam-e- Hindö and one English news paper viz. öFinancial Chronicleö. Also they are uploaded on the companyö website [www.midlandservicesltd.com](http://www.midlandservicesltd.com).

The Company also uploaded all the above informations electronically on the portal provided by the stock exchange to the company in line with the existing provisions of the SEBI (LODR) Regulations 2015.

## 9. General Shareholder Information

### Date, Time & Venue of the 31<sup>st</sup> Annual General Meeting:

No. of AGM/F.Y.	Day, date & time	Venue
31 <sup>st</sup> AGM (2015-16)	Thursday, September 29,2016 at 2:00 P.M.	816, Vishwa Deep Building, 8 <sup>th</sup> Floor, District Center Janakpuri, New Delhi-110058

**Financial Calendar year 2016-17 (Tentative):**

**Financial Year:** April 01 to March 31 for the financial year 2016-17, the tentative dates for declaration of **quarterly un-audited results** may be July 31, 2016, October 31, 2016, January 31 2017 and April 30, 2017.

**Dividend Payment Date:**

The board of the directors has not recommended Dividend for the approval of the members in the Annual General Meeting.

**Listing on Stock Exchange and stock codes:**

Name of the Stock Exchange	Stock Symbol	Series
Metropolitan Stock Exchange of India Ltd.(MSEI) (formerly known as MCX-SX)	MIDSERV	EQ

Demat ISIN No. in NSDL and CDSL for equity shares : **INE551E01016**

It is confirmed that the listing fees for the year 2016-17 has been paid to the Stock Exchange.

**Stock data:**

Month 15	High	Low
April 15	---	----
May 15	---	---
June 15	---	---
July 15	---	---
August 15	---	---
September 15	----	---
October 15	---	---
November 15	----	---
December 15	---	---
January 16	<b>50.15</b>	<b>50.00</b>
February 16	----	----
March 16	----	----

**Registrar and Share Transfer Agent:**

The Company has made arrangements with M/s. RCMC Share Registry Pvt. Ltd., the common agency for share transfer and depository services. The address of RCMC is:

RCMC Share Registry Pvt. Ltd.  
B-25/1, First Floor  
Okhla Industrial Area, Phase- II  
New Delhi 6 110020  
E-mail: [shares@rcmc.com](mailto:shares@rcmc.com)



### Share Transfer System

All physical share transfers are affected within 30 days of lodgment, subject to the documents being in order. The Board has delegated the authority for approval of transfer, transmission etc. to a Investors Grievances Committee comprising of two Independent Non-Executive Directors and one executive director. A summary of transfer/transmission of shares so approved by the committee is placed before the Board.

### Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2016;

S.No	Category	No. of Shares held	% of Shareholding
<b>1.</b>	<b>Promoters' Holding;</b>		
	Indian Promoters	675300	40.10
<b>2.</b>	<b>Others;</b>		
	Public/Private Corporate Bodies	0	0.00
	Indian Public	1008755	59.90
	<b>Total</b>	<b>1684055</b>	<b>100.00</b>

### Distribution of Shareholding of the Company as on 31<sup>st</sup> March, 2016:

Shareholding of value of Rs.	Shareholders		Shareholdings		
	Number	% of total	Shares	Amount	% of Total
Up to 5000	0	0.00	0	0.00	0.00
5001-10000	3	3.00	3000	30000.00	0.18
10001-20000	2	2.00	3980	39800.00	0.24
20001-30000	0	0.00	0	0.00	0.00
30001-40000	3	3.00	9375	93750.00	0.56
40001-50000	1	1.00	5000	50000.00	0.30
50001-100000	60	60.00	399574	3995740.00	23.73
100001 and above	31	31.00	1263126	12631260.00	75.00
<b>Total</b>	<b>100</b>	<b>100.00</b>	<b>1684055</b>	<b>16840550.00</b>	<b>100.00</b>

### Dematerialized of Shares of the Company

As on March 31, 2016, 93.32 % of shares were held in dematerialized form and the rest in physical form.

**Outstanding GDR's/ADR's/Warrant's/Convertible instruments and their impact on equity. NIL**

### Plant Location

Since the company is involving in the trading activities, therefore it does not have any plant location like a manufacturing company.

**Address for correspondence:**

**Registered Office:** 816, Vishwa Deep Building, 8<sup>th</sup> Floor, District Center, Janakpuri, New Delhi 6  
110058

**Telephone No** : +91-11- 41076611

**E-mail** : [cs@midlandservicesltd.com](mailto:cs@midlandservicesltd.com)

**Additional shareholders information**

**(i) Date of Book Closure:**

From September 19, 2016 to September 29, 2016 (both days inclusive)

**(ii) Shares held in electronic form**

Shareholders holding shares in the electronic form may give instruction regarding bank details, which they wish to incorporate on their dividend warrants to their depository participants. As per the regulations of NSDL and CDSL the company is required to print the bank details on the dividend warrants, as furnished by these depositories to the Company.

**(iii) Disclosures:**

The company has not entered into any transaction of a material nature with the Promoters, the Directors or the Management, their relatives etc. that may have any potential conflict with the interests of the company.

The company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. There were no penalties imposed nor any strictures issued on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to the above.

**(iv) Service of Documents through electronic mode**

As a part of green initiatives, the members who wish to receive the notice/documents through e-mail, may kindly intimate their e-mail address to the Company's Registrar and Share Transfer Agent, RCMC Share Registry (P) Ltd. to their E-mail id i.e. [shares@rcmcdelhi.com](mailto:shares@rcmcdelhi.com).

**(v) Reconciliation of Share Capital and Audit Report**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out audit to reconcile total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out for every quarter and the report thereon is submitted to Metropolitan Stock Exchange of India Ltd.(formerly known as MCX-SX). The Audit confirms that the total listed and paid up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members  
Midland Services Limited

I, have examined the compliance conditions on Corporate Governance by Midland Services Limited, as stipulated in Clause 49 of the listing agreement (Listing Agreement) of the Company with the Stock Exchange for the period April 1, 2015 to November 30, 2015, and as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (Listing Regulations) for the period December 1, 2015 to March 31, 2016, and issued this certificate as per requirement of Para E of Schedule V of SEBI (LODR) Regulations 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In My opinion and to the best of my information and according to the explanations given to me and based on the representation made by the Directors and Management, I am certify that the Company has complied with the Condition of Corporate Governance as stipulated in the above- mentioned Listing Agreement/ Listing Regulations, as applicable.

I, further state that such compliance is neither an 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.

Sd/-  
**ABHISHEK JAIN**  
Company Secretary  
M.No.ACS28201  
C.P No.16592

Place : New Delhi  
Dated : 27.06.2016

## INDEPENDENT AUDITORS' REPORT

### To The Members of Midland Services Limited

#### Report on the Financial Statements

- A) We have audited the accompanying financial statements of Midland Services Limited (the Company), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's responsibility for the Financial Statements

- B) The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 (the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act, read with rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors Responsibility

- C) Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act, and the rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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.

- D) 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 of the financial statements that give true and fair view 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 company's directors, as well as evaluating the overall presentation of the financial statements.
- E) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

- F) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act 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 March 31, 2016;
  - ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- G) As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), 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 give in the **Annexure A** statement on the matters specified in paragraphs 3 and 4 of the Order.
- H) As required by section 143(3) of the Act, we report that:**
- a) we have sought and 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 it appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
  - iii. The Company has no transferring amounts, required to be transferred to the investor education and protection fund by the company.

**For Sharat Sekhri & Co.**  
**Chartered Accountants**

Sd/-  
**CA Sharat Sekhri Partner**  
**Membership number: 017674**  
**Firm's registration number: 001274N**  
**May 27, 2016**

**Annexure A**

**The Annexure referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of our report of even date**

**1. In Respect of its Fixed Assets:**

- a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) These fixed assets have been physically verified by the management at reasonable intervals in accordance with regular programme of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) The title deeds of immovable properties are held in the name of the company.

**2. In Respect of its inventory:**

- a) According to the information and explanations given to us, Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification during the year.
3. According to information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013.
4. According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
5. According to information and explanations given to us the company has not accepted any deposits during the year.
6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013.
7. According to the information and explanations given to us, in respect of statutory dues:
  - a) The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
  - b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues in arrears as at March 31, 2016 for period of more than six months from the date they became payable.

8. The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
10. We have not noticed or reported any fraud by the company or any fraud on the Company by its officers or employees during the year.
11. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act
12. This clause of the Caro 2016 is not applicable to the Company as the company is not a Nidhi Company
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where ever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
14. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. The company has reissued forfeited equity shares during the year.
15. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of Companies Act, 2013 have been complied with;
16. This clause of the Caro 2016 is not applicable to the Company as the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Sharat Sekhri & Co.**  
**Chartered Accountants**

**Sd/-**  
**CA Sharat Sekhri Partner**  
**Membership number: 017674**  
**Firm's registration number: 001274N**



## Annexure B

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Midland Services Limited (the Company) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Sharat Sekhri & Co.**  
**Chartered Accountants**

**Sd/-**  
**CA Sharat Sekhri Partner**  
**Membership number: 017674**  
**Firm's registration number: 001274N**

**May 27, 2016**

## BALANCE SHEET AS AT 31<sup>st</sup> March 2016

(In Rupees)

Particulars	Notes	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>EQUITY AND LIABILITIES</b>			
1. Shareholder's Fund			
a) Share Capital	1	1,68,40,550	1,65,14,550
b) Reserves and Surplus	2	78,01,297	57,76,393
c) Money received against share warrants			
<b>Total</b>		<b>2,46,41,847</b>	<b>2,22,90,943</b>
Share application money pending allotment			
2. Non-current liabilities			
(a) Long-term borrowings			
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions			
<b>Total</b>		-	-
3. Current liabilities			
(a) Short-term borrowings			
(b) Trade payables	3	1332	23,729
(c) Other current liabilities	4	1,42,827	47,937
(d) Short-term provisions	5	-	-
<b>Total</b>		<b>1,44,159</b>	<b>71,666</b>
<b>GRAND TOTAL</b>		<b>2,47,86,006</b>	<b>2,23,62,609</b>
<b>ASSETS</b>			
4. Non-current assets			
(a) Fixed assets	6	6,46,884	
(i) Tangible assets			
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments			
(c) Deferred tax assets (net)	7	1502	1,79,429
(d) Long-term loans and advances	8	34,000	14,000
(e) Other non-current assets			
<b>Total</b>		<b>6,82,386</b>	<b>1,93,429</b>

Particulars	Notes	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>Current assets</b>			
(a) Current investments			
(b) Inventories	9	70,48,399	29,60,255
(c) Trade receivables			
(d) Cash and cash equivalents	10	1,59,00,881	1,90,02,567
(e) Short-term loans and advances	11	11,54,340	1,36,762
(f) Other current assets	12		69,596
<b>Total</b>		<b>2,41,03,620</b>	<b>2,21,69,180</b>
<b>GRAND TOTAL</b>		<b>2,47,86,006</b>	<b>2,23,62,609</b>
Significant accounting policies See accompanying notes to the Financial Statements.	1 to 30		

(Contd í )

**For and on behalf of Board**

Sd/-

**Gautam Chatterjee**  
(Managing Director  
Cum CEO)  
(DIN:06916786)

Sd/-

**Manan Mahajan**  
(Director Finance)  
(DIN: 02217914)

Date: May 27, 2016

Sd/-

**Kunjbihari Yadav**  
(Company Secretary)  
M. No. 31626

As per our report of even date  
**For Sharat Sekhri & Co**  
**Chartered Accountants**

Sd/-

**CA Sharat Sekhri**  
*Partner*  
M.No 017674

**FRN 001274N**

**STATEMENT OF PROFIT AND LOSS for the Period ended as on  
31<sup>st</sup> March 2016**

(In Rupees)

Sr No.	Particulars	Notes	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
I	Revenue from Operations	13	34069254	1046995
II	Other Income	14	1343799	336503
III	<b>Total Revenue (I+II)</b>		<b>35413053</b>	<b>1383498</b>
IV	Expenses:			
	Cost of Material Consumed		-	-
	Purchases of Stock-in-Trade	15	36437530	3978277
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	16	(4088144)	(2960255)
	Employee benefits expense	17	369000	126000
	Finance costs	18	12427	2693
	Depreciation and amortization expenses	6	74086	-
	Other expenses	19	2061573	817299
	<b>Total expenses</b>		<b>34866472</b>	<b>1964014</b>
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>546581</b>	<b>(580516)</b>
VI	Exceptional Items		-	-
VII	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>546581</b>	<b>(580516)</b>
VIII	Extraordinary Items			
IX	<b>Profit before tax (VII- VIII)</b>		<b>546581</b>	<b>(580516)</b>
X	Tax expense:			
	(1) Current tax		104150	-
	(2) Deferred tax		177927	(179429)
XI	<b>Profit (Loss) for the period from continuing operations (IX-X)</b>		<b>264504</b>	<b>(401087)</b>
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-

(Contd.í í í )

*(In Rupees)*

Sr No.	Particulars	Notes	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV	<b>Profit (Loss) for the period</b> (XI + XIV)		<b>264504</b>	<b>(401087)</b>
XVI	Earnings per equity share:			
	(i) Basic (Rs.)		<b>0.16</b>	<b>(0.35)</b>
	(ii) Diluted		<b>0.16</b>	<b>(0.35)</b>
	<b>Significant accounting policies</b> <b>See accompanying notes to the Financial</b> <b>Statements</b>	<b>1 To 30</b>		

**For and on behalf of Board**

*Sd/-*  
**Gautam Chatterjee**  
**(Managing Director**  
**Cum CEO)**  
**(DIN: 06916786)**

*Sd/-*  
**Manan Mahajan**  
**(Director Finance)**  
**(DIN: 02217914)**  
**Date: May 27, 2016**

*Sd/-*  
**Kunjbihari Yadav**  
**(Company Secretary)**  
**M. No. 31626**

As per our report of even date  
**For Sharat Sekhri & Co**  
**Chartered Accountants**

*Sd/-*  
**CA Sharat Sekhri**  
**Partner**  
**M. No 017674**  
**FRN 001274N**

## CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March 2016

(In

Rupees)

Particulars	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>A. Cash flow from Operating Activities</b>		
Net Profit before taxation and extraordinary items	5,46,581	(580,515)
Dividend Received	(99,065)	(3,950.00)
Interest Received	(12,44,734)	(332,553.00)
Depreciation & Amortizations	74,086	
<b>Operating Profit Before Working capital changes</b>	<b>(7,23,132)</b>	<b>(917,018)</b>
<b>Adjustment for</b>		
Increase in Inventories	(40,88,144)	(2,960,255)
Increase in Short Term Loans and advances	(10,17,578)	(136,762)
Decrease in Other Current Assets	<b>69,596</b>	<b>(69,596)</b>
Decrease in Trade Payables	<b>(22,397)</b>	<b>23,729</b>
Increase in Other Current Liabilities	<b>94,890</b>	<b>16,156</b>
<b>Cash generated / (utilized) from Operating Activities</b>	<b>(56,86,765)</b>	<b>(40,43,746)</b>
Net Prior Year Adjustments		
Income Tax Paid	(1,04,150)	-
<b>Net cash generated / (utilized) from Operating Activities</b>	<b>(57,90,915)</b>	<b>(40,43,746)</b>
<b>B. Cash flow from Investing Activities</b>		
Increase in Fixed Assets	<b>(7,20,970)</b>	
Increase in Long Term Advances	(20,000)	(14,000)
Dividend Received	99,065	3,950
Interest Earned	12,44,734	3,32,553
<b>Net cash Generated/( utilized) From Investing Activities</b>	<b>6,02,829</b>	<b>3,22,503</b>

Particulars	(In Rupees)	
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>C. Cash from Financing Activities</b>		
Proceeds from issue of Share Capital	6,52,000	69,40,550
Expenses incurred for IPO	-	-
Increase in Securities Premium Account	14,34,400	1,52,69,210
(Repayments) / proceeds of long term borrowings	-	-
Interest paid on Loans	-	-
<b>Net cash generated from financing activities</b>	<b>20,86,400</b>	<b>2,22,09,760</b>
<b>Net increase in cash and cash equivalents</b>	<b>(31,01,686)</b>	<b>1,84,88,517</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,90,02,567</b>	<b>5,14,051</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,59,00,881</b>	<b>1,90,02,567</b>

For and on behalf of Board

Sd/-  
Gautam Chatterjee  
(Managing Director  
Cum CEO)  
(DIN:06916786)

Sd/-  
Manan Mahajan  
(Director Finance)  
(DIN: 02217914)  
Date: May 27, 2016

Sd/-  
Kunjbihari Yadav  
(Company Secretary)  
M. No. 31626

As per our report of even date  
For Sharat Sekhri & Co  
Chartered Accountants

Sd/-  
CA Sharat Sekhri  
Partner  
M.No 017674  
FRN 001274N



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup>  
MARCH 2016**

(In Rupees)

<b>Note: 1</b>	<b>Share Capital</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
	Authorized Shares: 55,00,000 Equity Shares of Rs. 10/- Each (31 <sup>st</sup> March 2015: 55,00,000)	5,50,00,000	5,50,00,000
	Issued Shares: 16,84,055 Equity Shares of Rs. 10/- Each (31 <sup>st</sup> March 2015: 16,84,055)	1,68,40,550	1,68,40,550
	Subscribed & Fully Paid up Shares: 16,84,055 Equity Shares of Rs. 10/- Each (31 <sup>st</sup> March 2015: 16,18,855 Equity Shares of Rs. 10/- Each )	1,68,40,550	1,61,88,550
	(31 <sup>st</sup> March 2015: Forfeited Shares: 65200 Equity Shares of Rs. 10/- Each actually paid up of Rs. 5/- Each)		3,26,000
	<b>Total</b>	<b>1,68,40,550</b>	<b>1,65,14,550</b>

**Note:1.1**

The company has only one class of equity shares having face value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(In Rupees)

<b>Note: 1.2</b> <b>Reconciliation of shares outstanding at the beginning and at the end of the year</b>	<b>31<sup>st</sup> March 2016</b>		<b>31<sup>st</sup> March 2015</b>	
	<b>No. of Shares</b>	<b>Amount</b>	<b>No. of Shares</b>	<b>Amount</b>
At the beginning of the year	16,18,855	1,61,88,550	9,90,000	99,00,000
Add: Shares issued during the year	65,200	6,52,000	6,94,055	69,40,550
Less: Shares Bought Back during the Year	-	-	-	-
Less: Shares Forfeited During the Year	-	-	65,200	3,26,000
Add: other movements during the year	-	-	-	-
<b>Outstanding at the End of the year</b>	<b>16,84,055</b>	<b>1,68,40,550</b>	<b>16,18,855</b>	<b>1,65,14,550</b>

Note: 1.3 Names of Shareholders holding more than 5 % shares	31 <sup>st</sup> March 2016		31 <sup>st</sup> March 2015	
	No. of Shares	% Held	No. of Shares	% Held
Magadh Holdings Pvt. Ltd.	-	-	185000	11.00
Amanaya Ventures Limited	305300	18.13	292800	18.00
Gautam Chatterjee	370000	21.97	370000	23.00

**Note 1.4:** None of the shares issued for consideration other than cash, No Bonus shares issued and shares bought back during the period of 5 years immediately preceding the reporting date.

**Note 1.5 : Issue of Equity Shares:**

During the year 65,200 (Sixty Five Thousand Two Hundred) forfeited equity shares at Rs 32/- per equity share having face value of Rs 10/- each and at a premium of Rs 22/- each, have been issued by the Company.

*(In Rupees)*

Note: 2 Reserves and Surplus	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>A) Securities Premium Account:</b>		
Opening Balance	1,52,69,210	-
Add: Premium on issue of forfeited shares	14,34,400	1,52,69,210
<b>Closing Balance</b>	<b>1,67,03,610</b>	<b>1,52,69,210</b>
<b>B) Capital Reserve</b>	<b>3,26,000</b>	-
<b>C) Surplus:</b>		
Opening balance	(94,92,817)	(90,91,730)
Add: Net Profit/(Net Loss) For the current year	2,64,504	(4,01,087)
Closing Balance	(92,28,313)	(94,92,817)
<b>Total (A+B+C)</b>	<b>78,01,297</b>	<b>57,76,393</b>

*(In Rupees)*

Note: 3 Trade Payables	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Due to Related Parties	-	-
Due to Subsidiary Company	-	-
Due to Micro & Small Industries	-	-
Due to Others	1332	23729
<b>Total</b>	<b>1332</b>	<b>23729</b>

(In Rupees)

<b>Note: 4 Other Current Liabilities</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Provision for Employee Benefit:		
Salary Payable	50000	18000
<b>Total (A)</b>	<b>50000</b>	<b>18000</b>
Others:		
Telephone Expenses	1830	1684
Rent Payable	4000	
Audit Fees Payable	72000	28090
Water & Electricity Payable	6940	
Vat/C.S.T./T.D.S. Payable	8057	163
<b>Total (B)</b>	<b>92827</b>	<b>29937</b>
<b>Grand Total (A)+(B)</b>	<b>142827</b>	<b>47937</b>

(In Rupees)

<b>Note: 5 Short Term Provisions</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Provision For Taxation	104150	-
Less: TDS	104150	
<b>Total</b>	<b>-</b>	<b>-</b>

(In Rupees)

<b>Note: 6 Fixed Assets</b>										
Description of Assets	Gross Block				Depreciation				Net Block	
	Cost as on 31/03/15	Addition During the Year	Sale	Total Cost	Upto Last Year	For the Year	Adjusted	Total	WDV as on 31/03/16	WDV as on 31/03/15
<b><u>A)</u> <u>Tangible Assets</u></b>										
Car	0	660000	0	660000	0	72165	0	72165	587835	0
Inverter	0	15500	0	15500	0	612	0	612	14888	0
Weighing Machine	0	43250	0	43250	0	1266	0	1266	41984	0
Furniture & Fixture	0	2220	0	2220	0	43	0	43	2177	0
<b>Total</b>	<b>0</b>	<b>720970</b>	<b>0</b>	<b>720970</b>	<b>0</b>	<b>74086</b>	<b>0</b>	<b>74086</b>	<b>646884</b>	<b>0</b>

Description of Assets	<u>Gross Block</u>				<u>Depreciation</u>				<u>Net Block</u>	
	Cost as on 31/03/15	Addition During the Year	Sale	Total Cost	Upto Last Year	For the Year	Adjusted	Total	WDV as on 31/03/16	WDV as on 31/03/15
<b><u>B)</u></b> <b><u>Intangible Assets</u></b>										
	0									
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total (A+B)</b>	<b>0</b>	<b>720970</b>	<b>0</b>	<b>720970</b>	<b>0</b>	<b>74086</b>	<b>0</b>	<b>74086</b>	<b>646884</b>	<b>0</b>
<b>Previous Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Note: 7 Deferred Tax Assets</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Current Year	1502	1,79,429
Total	1502	1,79,429

<b>Note: 8 Long Term Loans and Advances (Unsecured Considered Good)</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Security Deposit (Refundable)	34000	14000
Total	34000	14000

<b>Note: 9 Inventories (As valued &amp; certified by the management)</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Stock-in-Trade (Valued at Cost)	70,48,399	29,60,255
Total	70,48,399	29,60,255

<b>Note: 10 Cash and Cash Equivalents</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Balances with Bank (A)	1,45,21,136	1,86,22,375
Cash in Hand (B)	13,79,745	3,80,192
Total (A)+(B)	1,59,00,881	1,90,02,567

<b>Note: 11 Short Term Loans &amp; Advances (Unsecured Considered Good) (Recoverable in cash or kind or pending adjustment)</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
<b>Loans and Advances:</b>		
a. Advance to Suppliers and Brokers	6,28,380	1,07,434
b. Income Tax 2015-2016	29,328	29,328
c. Prepaid Expenses	21,075	
d. VAT Receivable	51,425	
e. Income Tax 2016-2017	24,132	
f. Advance for Purchase of Property	4,00,000	
<b>Total</b>	<b>11,54,340</b>	<b>1,36,762</b>

<b>Note: 12 Other Current Assets</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Interest Accrued on FDRs	-	69,596
<b>Total</b>	<b>-</b>	<b>69,596</b>

<b>Note: 13 Revenue From Operation</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Revenue From Securities & Commodities	3,40,97,099	10,31,545
Revenue From Derivatives (Future & Options)	(27845)	15450
<b>Total</b>	<b>3,40,69,254</b>	<b>10,46,995</b>

<b>Note: 14 Other Income</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Interest Income	12,44,734	3,32,553
Dividend Income	99,065	3950
<b>Total</b>	<b>13,43,799</b>	<b>3,36,503</b>

<b>Note: 15 Details of Purchase of Securities &amp; Commodities</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Purchases of Securities & Commodities	3,64,37,530	39,78,277
<b>Total</b>	<b>3,64,37,530</b>	<b>39,78,277</b>

<b>Note: 16 Changes in Inventories of finished goods work-in-progress and Stock-in-Trade</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Inventory at the beginning of the year	29,60,255	
Inventory at the end of the year	(70,48,399)	(29,60,255)
<b>Total</b>	<b>(40,88,144)</b>	<b>(29,60,255)</b>

<b>Note: 17 Employee Benefits Expense</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Salaries and Incentives	3,69,000	1,26,000
<b>Total</b>	<b>3,69,000</b>	<b>1,26,000</b>

<b>Note: 18 Finance Costs</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Bank Charges	12,427	2693
<b>Total</b>	<b>12,427</b>	<b>2693</b>

<b>Note: 19 Other Expenses</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Audit Fees	81000	28090
Advertisement & Publication	138122	166069
Brokerage & Other Expenses on Trading	168625	13991
Books & Periodicals	23790	0
Car Expenses	2600	0
Charity	2850	0
Computer Repair	11700	0
Freight & Forwarding	7950	0
Insurance	29505	0
Professional Fees	450000	0
Rent	100000	49000
Commission On Purchases	0	2500
Water & Electricity Expenses	48900	6715
Depository Charges	20610	29314
Entertainment & Hospitality Charges	13120	15741
Fees & Taxes	440892	166605
Miscellaneous expenses,	101665	11611
Postage & Courier Expenses	14035	2449
Printing & Stationery	29300	18490
Listing Charges	28090	250001

<b>Note: 19 Other Expenses</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Packing Material	11138	0
Telephone Expenses	30952	8520
Travelling & Conveyance Expenses	235365	9552
Website Development charges	14140	26966
Warehouse Storage Charges	57224	11685
<b>Total Other Expenses</b>	<b>2061573</b>	<b>817299</b>

**For and on behalf of Board**

Sd/-  
**Gautam Chatterjee**  
 (Managing Director  
 Cum CEO)  
 (DIN: 06916786)

Sd/-  
**Manan Mahajan**  
 (Director Finance)  
 (DIN: 02217914)  
 Date: May 27, 2016

Sd/-  
**Kunjbihari Yadav**  
 (Company Secretary)  
 M. No. 31626

As per our report of even date  
**For Sharat Sekhri & Co**  
**Chartered Accountants**

Sd/-  
**CA Sharat Sekhri**  
 Partner  
 M.No 017674  
 FRN 001274N

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED AS ON 31<sup>st</sup> MARCH 2016.

### 20. Corporate Information:

Midland Services Limited (The Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act 1956. The company has been formed as on 9th April 1985. The Company's shares are listed at Metropolitan Stock Exchange of India (MSEI). The company is engaged in the trading of securities and commodities.

### 21. Significant Accounting Policies:

#### 21.1. Basis of Preparation:

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 21.2. Basis of Accounting:

The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 2013.

#### 21.3. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. The estimates and assumptions used in the financial statements are based upon the Management's evaluation of the relevant facts and circumstances as on the date of financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.



#### **21.4. Fixed Assets**

The fixed assets have been recorded at cost.

#### **21.5. Depreciation**

a) Depreciation has been provided on the basis of straight line method as per schedule II of the Companies Act 2013.

#### **b) Impairment of Assets:**

At each balance sheet date, the company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. An impairment loss is charged to Profit and Loss account in the year which an asset is identified as impaired.

#### **21.6. Stock-in-Trade:**

The Stock- in- trade comprises of "Commodities and Securities". Commodities primarily includes items listed and traded at NCDEX and MCX which are prominent national commodity Exchanges. Commodities are valued at cost price or net realizable value whichever is lower. Cost of commodities are comprises of cost of purchase and other costs incurred to bring them at their respective present location and condition. Securities are valued at cost price, determined on FIFO basis, or net realizable value whichever is lower.

#### **21.7. Revenue Recognition:**

Revenue is recognized when the significant risks and rewards of ownership of Commodities and Securities have been passed to the buyer. Revenue from derivatives comprises of realized profit/loss on exchange traded derivative instruments. Realized profit/ loss on closed positions of derivative instruments is recognized on final settlement on squaring up of the contracts. Interest income is recognized on the basis of bank statements received from the Bank. Dividend is recognized when right to receive payment is established.

#### **21.8. Financial Derivatives and Commodity Hedging Transactions:**

In respect of derivatives contracts, premium paid, gain/ loss on settlement and losses on restatements are recognized in the profit & loss account statement.

#### **21.9. Leased Assets:**

Operating Leases: Rentals are recognized as an expense with reference to lease terms and other considerations.

**21.10. Employees Benefit:**

Provisions for statutory/ contractual liability benefit on retirement/ death of employees are accounted for as and when paid.

**21.11. Tax on Income:**

Tax expenses comprises of current tax & deferred tax.

**Current Tax:** The provision for current income tax liability is ascertained on the basis of assessable profit computed in accordance with the provision of Income Tax Act,1961.

**Deferred Tax:** Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognized using the tax rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Assets are recognized and carried forward only if there is a virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

**21.12. Earnings Per Share:**

The Company reports basic and diluted earnings per share in accordance with accounting standard 20-ö Earnings Per Shareö Notified under section 133 of the companies Act 2013, read together with paragraph 7 of the companies (Accounts) Rules, 2014. Basic earnings per share are computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Particulars	2016	2015
Profit/ (Loss) after Tax (Rs.) (A)	264504	(401087)
Weighted Average No. of Equity Shares (B)	16,84,055	11,58,080
Earnings Per Share (A)/(B) (In Rs.)	0.16	(0.35)

**21.13. Borrowing Cost:**

Financing and borrowing costs are charged to revenue in the year in which these are incurred.

#### 21.14. Provisions/ Contingent Liabilities & Contingent Assets:

Provision is recognized in the accounts when there is a present obligation as a result of past event (s) & it is probable that an out of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligations at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

### **NOTES FORMING PART OF ACCOUNTS:**

#### **22. Segment Reporting:**

The Company at present is engaged in the business trading of Commodities and Securities. These commodities and securities are generally listed on the SEBI approved stock and commodity exchanges hence it constitutes a single business segment. In view of above, primary and secondary reporting disclosures for business/geographical segment as envisaged in AS 17 are not applicable to the Company.

#### **23. Related Party Disclosure:**

##### **A. Related parties & nature of relationship:**

##### **I. List of the Key Management Persons (KMP):**

- a. Mr. Gautam Chatterjee: Managing Director cum CEO.
- b. Mr. Manan Mahajan: Director Finance
- c. Mr. Kunjbihari Yadav: Company Secretary.

##### **II. Entities owning an interest in the voting power of the reporting enterprise that gives them control or significant influence over the company:**

- a. Amanaya Ventures Limited.

- b. Transaction that have taken place during the year **01/04/2015** to **31/03/2016** with related parties:

Nature	Key Managerial Persons	Entities having Significant Influence
Professional Fees	---	4.50 Lac (Nil)*
Equity Shares allotted	---	4.00 Lac (Nil)*
Sales	---	5.03 Lac
Purchases	---	3.97 Lac
Remuneration	2.34 Lac	--

\*(Previous year figures)

#### 24. Stock and Sales particulars of Trading Items:

##### A. Details in Value:

Sr. No:	Name	Sales Value (Rs.)	Stock-in-trade (Rs.)	Opening Inventory (Rs.)
1.	Commodities & Securities	3,40,97,099	70,48,399	29,60,255
2.	Derivatives	(27845)	--	--

#### 25. Quantitative Details of Stock-in-Trade as on 31st March 2016:

Sr. No	Item	Units	Opening Stock (A)	Purchases (B)	Sales (C)	Shortage (D)	Closing Stock (A) + (B) - (C) - (D)
1	Bullion	(Gms)	--	77490	66177.89	--	11312.11
2	Commodities	(Kgs)	99530	82088.5	151700.5	350.00	29568
3	Shares and Securities	(Nos)	15000	102270	115220	--	2050

#### 26. Payment to Auditors:

Sr. No.	Nature of Payment	Amount	Amount
1.	Statutory Audit Fees	50,000	28090

(Rs.)

27. **Deferred Tax :**

(Rs.)

Major components of deferred tax accounting on account of timing difference are:-

<b>Particulars</b>	<b>2016</b>	<b>2015</b>
<b><u>Deferred Tax Liability</u></b>		
Tax impact on profit set off against previous year loss	168833	(179429)
Timing difference of depreciation as per income tax act & companies act	9094	--
<b>Total Deferred Tax Liability</b>	<b>177927</b>	<b>(179429)</b>
<b>Deferred tax assets as on 31/03/2015</b>	<b>179429</b>	
<b>Deferred tax liability for the year</b>	<b>177927</b>	
<b>Deferred tax assets carried forward</b>	<b>1502</b>	

28. In the opinion of the directors, the current assets, loans and advances have value on realization in the ordinary course of business, equal at least to the aggregate amount shown in the balance sheet.

29. Trade payables are subject to confirmation.

30. Previous year figures are regrouped/ rearranged/ reclassified wherever consider necessary.

**For and on behalf of Board**

Sd/-  
**Gautam Chatterjee**  
**(Managing Director**  
**Cum CEO)**  
**(DIN: 06916786)**

Sd/-  
**Manan Mahajan**  
**(Director Finance)**  
**(DIN: 02217914)**  
**Date: May 27, 2016**

**Kunjbihari Yadav**  
**(Company Secretary)**  
**M. No. 31626**

As per our report of even date  
**For Sharat Sekhri & Co**  
**Chartered Accountants**

Sd/-  
**CA Sharat Sekhri**  
**Partner**  
**M. No 017674**  
**FRN 001274N**

# MIDLAND SERVICES LIMITED

CIN: L74140DL1985PLC020648

Reg. Office: 816, Vishwa Deep Building, 8<sup>th</sup> Floor, District Center, Janakpuri, New Delhi-110058

## ATTENDENCE SLIP

Please bring this Attendance Slip and hand it over at the entrance of, 816, Vishwa Deep Building, 8<sup>th</sup> Floor, District Center, Janakpuri, New Delhi-110058.

Name & Address of the shareholders;

Name: -----  
-----  
Address: -----  
-----

Folio No. :  
DP Id :  
Client Id :

I, hereby record my presence at the Thirty First Annual General Meeting at 816, Vishwa Deep Building, 8<sup>th</sup> Floor, District Center, Janakpuri **New Delhi-110058** on Thursday, September 29, 2016 at 2:00 P.M.

<b>Signature of the Member/Proxy</b>

<b>No. of Shares held</b>

*Cut from here ✂*

### Form No. MGT-11 PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013, and rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN	
Name of the Company	
Registered Office	
Name of shareholder	
Registered Address	
E-mail ID	
Folio No./Client ID	
DP ID	

I, being the shareholder of -----equity shares of the above named company, hereby appoint

1	Name	
	Address	
	Email-id	
	Signature	

Or failing him

2	Name	
	Address	
	Email-id	
	Signature	

As my proxy to attend and vote (on poll) for me and on my behalf at the Annual General Meeting of the Company, to be held on Thursday, September 29, 2016 at 2:00 P.M at 816, Vishwa Deep Building, 8<sup>th</sup> Floor, District Center, Janakpuri New Delhi-110058, and any adjournment thereof in respect of such resolution as are indicated below;

**Resolution Nos.**

Sr. No.	Resolutions
	<b>Ordinary Businesses;</b>
1.	To receive, consider and adopt the Audited Balance Sheet as at 31 <sup>st</sup> March, 2016, Statements of Profit & Loss for the year ended on that date together with Report of the Auditors and Directors thereon.
2.	To appoint a director in place of Shri Gautam Chatterjee who retires by rotation and being eligible, offers himself for re-appointment.
3.	To re-appointment of Statutory Auditors and the fixing of the remuneration.
	<b>Special Businesses;</b>
4.	Alteration of Object Clause of the Memorandum of Association of the Company.
5.	Issue of Bonus Shares.
6.	Approval of related party transaction under Section 188 of the Companies Act, 2013.
7.	Approval of Inter-corporate loan/guarantee/investment etc under Section 186 of the Company Act, 2013.

Signed this-----day of -----2015.

Signature of shareholder: -----

Signature of Proxy holder: -----

<b>Affix Revenue Stamp</b>
------------------------------------

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

# MIDLAND SERVICES LIMITED

CIN: L74140DL1985PLC020648

Regd. Office – 816, Vishwa Deep Building, 8<sup>th</sup> Floor, District Center, Janakpuri New Delhi-110058

Website: [www.midlandservicesltd.com](http://www.midlandservicesltd.com), Email: [midland2014@hotmail.com](mailto:midland2014@hotmail.com),

Landline: +91-11- 41076611

## POSTAL BALLOT FORM

Sr. No.	
---------	--

1. Name(s) of Shareholder(s)/Beneficial owner (in block letters) (including joint holders, if any)	
2. Registered address of the sole/ first named shareholder/ Beneficial owner	
3. Registered folio No./DP ID No. along with Client ID No.* (*Applicable to investors holding shares in dematerialized form)	
4. No. of Shares held	
5. I/We hereby exercise my/our vote in respect of the <b>Resolutions</b> to be passed through postal ballot for the business stated in the postal ballot notice dated -----/2016 of the Company by sending my/our assent or dissent to the said Resolutions by placing the tick ( ✓ ) mark at the appropriate box below.	



Sr. No.	Particulars	No. of shares	I/We assent to the resolution	I/We dissent to the resolution
	<b>Ordinary Businesses:</b>			
1.	To receive, consider and adopt the Audited Balance Sheet as at 31 <sup>st</sup> March, 2016, Statements of Profit & Loss for the year ended on that date together with Report of the Auditors and Directors thereon.			
2.	To appoint a director in place of Shri Gautam Chatterjee who retires by rotation and being eligible, offers himself for re-appointment.			
3.	To re-appointment of Statutory Auditors and the fixing of the remuneration.			
	<b>Special Businesses:</b>			
4.	Alteration of Object Clause of the Memorandum of Association of the Company.			
5.	Issue of Bonus Shares.			
6.	Approval of related party transaction under Section 188 of the Companies Act, 2013.			
7.	Approval of Inter-corporate loan/guarantee/investment etc under Section 186 of the Company Act, 2013.			

**Notes:**

1. For e-voting kindly refer to the Annexure-A and carefully read the covering letter for the detailed instructions and for your respective USER ID and PASSWORD.
2. Kindly return this form duly completed and signed, in the attached self addressed, adequately stamped by the company, envelope so as to reach the scrutinizer before the closing of working hours (5:00 P.M.) on Wednesday, 28<sup>th</sup> day of September 2016.



## Midland Services Limited

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Website: [www.midlandservicesltd.com](http://www.midlandservicesltd.com)