

22nd Annual Report of 2012-2013

Mideast Portfolio Management Limited



Director

Mr. Kishor A. Shah – Managing Director

Mrs. Jyoti K. Shah – Director

Mr. Vincent Mascarenhas – Director

Mr. Harish R. Kotian – Director

Mr. T. R. Ramanathan – Director

Mr. Urvish P. Shah – Director

Mr. Dilip Shah – Director

Auditors:

MEHTA CHOKSHI & SHAH
Chartered Accountants

Bankers:

HDFC Bank Limited
Andheri (East) Branch

Registered Office:

144, Atlanta,
Nariman Point
Mumbai – 400 021



MIDEAST PORTFOLIO MANAGEMENT LIMITED

NOTICE

Notice is hereby given that 22nd Annual General Meeting of the Mid East Portfolio Management Limited will be held on Monday, 30th September, 2013 at 9.30 a.m. at its Corporate Office of the Company at 301, 3rd Floor, Apollo Arcade, Dr. R.K. Sing Marg, Andheri (E), Mumbai- 400 069 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2013 and Balance Sheet as at the date together with the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Mrs. Jyoti K. Shah who retires by rotation but being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Harish Kotian who retires by rotation but being eligible, offers himself for re-appointment.
4. To re-appoint Auditors and to fix their remuneration.

Registered Office:
144, Atlanta, Nariman Point,
Mumbai- 400 021.
Tel.no.28240444

Place : Mumbai
Date : 27th May, 2013

By order of the Board

Kishor A.Shah
(Managing Director)



MIDEAST PORTFOLIO MANAGEMENT LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY & THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and Transfer Register will be closed from 27th September, 2013 to 29th September, 2013 (both day inclusive).
3. Proxy in order to be effective must be sent to the Company not less than 48 hours before the meeting.
4. Members are requested to notify immediately change of address, if any, at the Registered Office of the Company/ Registrar Agent

Adroit Corporate Services Pvt Ltd.,
19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road,
Marol Naka, Mumbai - 400 059.
2859 0942/28503748

5. Members desiring any information on the accounts of the Company are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.

Registered Office:
144, Atlanta, Nariman Point,
Mumbai - 400 021.
Tel : 28240444

By Order of the Board

Kishor A. Shah
(Managing Director)

Place: Mumbai
Date : 27th May, 2013



MIDEAST PORTFOLIO MANAGEMENT LIMITED

DIRECTOR'S REPORT Director's Report to the Members

Your Directors have pleasure in presenting the 22nd Annual Report of your company together with the Audited Accounts for the year ended 31st March 2013.

OPERATIONS:-

During the period, the Company has suffered loss from the operation of the Company.

DIVIDEND:-

Your Directors regret their inability to recommend any dividend for the year under review.

DIRECTORS:-

During the year, Mrs. Jyoti K. shah retires by rotation but being eligible herself for re-appointment.

During the year, Mr. Harish Kotian retires by rotation but being eligible himself for re-appointment.

DEPOSITS:-

The Company has not accepted and/or renewed any public deposit during the year review.

DIRECTOR'S RESPONSIBILITY STATEMENT:-

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors confirm:-

- i. that in the preparation of the annual accounts for the year ended on 31st March 2013, the applicable accounting standards have been followed;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the period and of the profit of the Company for that period under review.
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. that the directors have prepared the accounts for the year ending 31st March, 2013 on a going concern' basis.

CONSERVATION OF ENERGY:-

The Company is engaged in the business of trading and dealings in shares and securities and consequently various disclosures required u/s 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Directors) Rules, 1988 are not applicable to this Company.



MIDEAST PORTFOLIO MANAGEMENT LIMITED

FOREIGN EXCHANGE EARNINGS & OUTGO:-

| | | | | |
|------------------------------|---|----------|---|-----|
| During the year under review | - | Earnings | - | Nil |
| | - | Outgo | - | Nil |

AUDITORS:-

M/S. Mehta Chokshi & Shah, Chartered Accountants who are the Auditors of the Company hold the Office till the conclusion of ensuring Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received consent from the Auditors pursuant to Section 224 of the Companies Act, 1956.

AUDITORS OBSRVATIONS:

There is no sufficient profit or cash flow to the company. The caompny has taken approval from share holders for waiving of preference dividend and extension of maturity of preference shares.

The shares of listed company are under suspension, so loss on investments can not be booked at present level.

PERSONNEL:-

Information as per section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not given as there was no employee earning monthly salary as specified in aforesaid Section or more during the year.

CORPORATE GOVERNANCE :-

The Company has complied with the requirements regarding Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, where the Company's shares are listed. A report on the Corporate Governance in this regard is made a part of this Annual Report and a Certificate from the Auditors of the Company regarding compliance of the conditions of the Corporate Governance is attached to this report.

COMPLIANCE CERTIFICATE:-

We enclose herewith compliance certificate u/s 383A of the Companies Act, 1956.

ACKNOWLEDGEMENT:-

Your Directors wish to express their gratitude to the officials of the financial institutions, Stock Exchanges, company's bankers and shareholders who have extended their valuable support to the Company. Directors are also grateful to the staff and employees of the Company for their devotion and relentless services.

For and on behalf of the Board of Directors

Kishor A. Shah
(Managing Director)

Place : Mumbai
Date : 27th May, 2013



MIDEAST PORTFOLIO MANAGEMENT LIMITED

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

Your Company believes in setting the highest standard in good and ethical corporate governance practices. Your Company is managed by the Managing Director (MD) under the supervision and control of the Board of Directors. The MD is assisted by a team of highly qualified and experienced professionals.

Your company is committed to maintaining the highest standards of corporate governance in its dealings with its various stakeholders. It is an integral part of the Company's core values, which include transparency, integrity, honesty and accountability. Your Company follows the philosophy of working towards the creation of wealth by enhancing the value of stakeholders, meeting the needs of customers and employees and the community at large.

The Company attaches great importance to investor relations. With a view to enhance shareholder participation in corporate affairs, the Company follows the policy of keeping its shareholder informed in putting up relevant information on its corporate website www.mideastportfolio.com by issuing public notices of meetings and informing stock exchanges of new developments.

Your Company is in compliance with the conditions of corporate governance stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Your Company has complied with the requirements of the Corporate Governance Code, the disclosure requirements of which are given below:

Board of Directors

Composition:

The Board of Directors has Seven members, out of whom one are Executive director and Six are Non-Executive Directors (NEDs) who bring in a wide range of skills and experience to the Board. The Company has an Executive Chairman and more than half of the Board of Directors is Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

| Name of the Director | Business Relationship | Category of Directorship | No. of other Director Ships | ** No of other Committee Memberships | |
|-------------------------|--------------------------------|-----------------------------|-----------------------------|--------------------------------------|--------|
| | | | | Chairman | Member |
| Mr. Kishor A. Shah | Chairman cum Managing Director | Promoter, Executive | 7 | - | - |
| Mrs. Jyoti K. Shah | Director | Promoter, Non Executive | 7 | - | 3 |
| Mr. Vincent Mascarenhas | Director | Non Executive & Independent | - | - | - |
| Mr. Dilip S. Shah | Director | Non Executive | - | 1 | - |
| Mr. Harish Kotian | Director | Non Executive & Independent | 1 | 1 | 1 |
| Mr. T. R. Ramanathan | Director | Non Executive & Independent | 1 | - | - |
| Mr. Urvish P. Shah | Director | Non Executive & Independent | 1 | 1 | 2 |



MIDEAST PORTFOLIO MANAGEMENT LIMITED

**Represents Memberships/ Chairmanships of Audit Committee, Shareholders' / Investors' Grievance Committee and Remuneration Committee.

Number of Board Meetings attendance at Board Meetings attendance at Board Meetings and Previous Annual General Meeting:

7 Board Meetings were held during the period and the gap between two meetings did not exceed four months.

| Name of the Director | No. of Board Meetings attended during the year | 21 st AGM held on 29 th Sept, 2012 Attended | Remarks |
|-------------------------|--|---|---------|
| Mr. Kishor A. Shah | 7 | Yes | |
| Mrs. Jyoti K. Shah | 7 | Yes | |
| Mr. Vincent Mascarenhas | Nil | No | |
| Mr. Dilip S. Shah | 7 | Yes | |
| Mr. Harish Kotian | 7 | Yes | |
| Mr. T. R. Ramanathan | - | No | |
| Mr. Urvish P. Shah | - | No | |

Leave of absence was granted by the Board to the Directors who were absent at the respective Board Meeting(s).

Dates of Board Meetings

30th April 2012, 29th June 2012, 30th July 2012, 17th September 2012, 31st October 2012, 14th January 2013 & 31st January 2013.

The information as required under Annexure I to Clause 49 is being made available to the Board.

Committees of Directors

Audit Committee

The Company also complies with the provisions of section 292A of the Companies Act, 1956 pertaining to Audit Committee and its functioning.

The Board delegated the following powers to the Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.

To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Board defined the role of the Audit Committee, as under:

- a. Overseeing the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible;



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- b. Recommending the appointment/ removal of external auditors, fixing audit fees and approving payments for any other services;
- c. Reviewing with Management the annual financial statements before submission to the Board;
- d. Reviewing with the Management, and external auditors, the adequacy of internal control systems;
- e. Discussing with external auditors before the audit commences, the nature and scope of audit as well as have post-audit discussions to ascertain any area of concern;
- f. Reviewing the Company's financial and risk management policies;
- g. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.

The composition of the Audit Committee as on date of report was as under:

| Sr. No | Name of the Director | Designation | No. Of Meetings attended during 2012- 2013 | Remarks |
|--------|----------------------|-------------|--|---------|
| 1 | Mr. Harish Kotian | Chairman | 5 | |
| 2 | Mr. Urvish Shah | Member | 5 | |
| 3 | Mrs. Jyoti K Shah | Member | 5 | |

All the above Directors are Non- Executive and Chairman is an Independent Director.

The Audit Committee met five times during the year under review. The Audit Committee invites such of the executives as it considers appropriate to be present at its meetings. The Statutory Auditors are also invited to the meetings.

Remuneration Committee

The composition of the Remuneration Committee as on date of report was as under:

| Sr. No | Name of the Director | Designation | No. Of Meetings attended during 2012 -2013 | Remarks |
|--------|----------------------|-------------|--|---------|
| 1 | Mr.Dilip S Shah | Chairman | 1 | |
| 2 | Mr. Urvish Shah | Member | 1 | |
| 3 | Mrs.Jyoti K. Shah | Member | 1 | |

All the above Directors are Non-Executive and the Chairman is an Independent Director.

Terms of Reference:

The term of reference of the Committee include recommending to the Board of Directors specific remuneration packages for Executive Directors and management staff.

Remuneration Policy:

1. Non Executive Directors

None of the Non-Executive Directors (NEDs) are paid any remuneration whether by way of Commission or Sitting Fees.



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2. Executive Directors

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to the Managing Director. Salary is paid within the range approved by the shareholders. The ceiling on perquisites and allowances as a percentage of salary is fixed by the Board, within the prescribed ceiling; the perquisite package is fixed by the Remuneration Committee.

Remuneration to Directors:

No remuneration was paid to any Directors during the year under review.

Shareholders / Investors Grievance Committee:

The present composition of the shareholders/ Investors Grievance Committee is as under:

| Sr. No | Name of the Director | Designation | Category of Directorship |
|--------|----------------------|-------------|-----------------------------|
| 1 | Mr. Urvish Shah | Chairman | Non-Executive & Independent |
| 2 | Mrs. Jyoti K. Shah | Member | Non-Executive |
| 3 | Mr. Harish Kotian | Member | Non-Executive & Independent |

Total number of shareholders complaints received during the period under review was nil.

General Body Meetings

a) Annual General Meeting :

The last three Annual General Meeting (AGMs) were held as under:

| Financial Year ended | Day & Date | Time | Venue |
|----------------------|----------------------------------|------------|-------------------|
| 19 th AGM | 30 th September, 2010 | 10.00 A.M. | Registered Office |
| 20 th AGM | 30 th September, 2011 | 9.30 A.M. | Corporate Office |
| 21 st AGM | 29 th September, 2012 | 9.30 A.M. | Corporate Office |

All special resolutions moved at the last AGM were passed unanimously on a show of hands by the shareholders present at the meeting. None of the business required to be transacted at this AGM is proposed to be passed by postal ballot.

b) Resolution passed through Postal Ballot:

No Special/Ordinary resolutions were passed through Postal Ballot during the year 2010-11 and 2011-12.

(During the year 2012-13)

"Ordinary Resolution":-

i) to sell, transfer and conveyance vacant wind mills land measuring 17.79 acres situated at Palladam, Dist Coimbatore, Tamilnadu & to sell, transfer and conveyance wind mills plant and



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machinery and used land situated at Palladam, Dist Coimbatore, Tamilnadu. Pursuant to Section 293(1) (a) of the Companies Act, 1956.

Means of Communication:

The quarterly results are published in the two newspapers viz. Free Press Journal and Navshakti Official news releases and presentations made to analysts are sent to the Stock Exchanges, where the Company's shares are listed.

Shareholder Information:

i) **Annual General Meeting**

Date : 30.09.2013

Time : 9.30 A.M

Venue : 301, 3rd Floor, Apollo Arcade, Dr. R.K. Sing Marg, Andheri (E), Mumbai- 400 069

Financial Calendar

Financial reporting for

| | |
|-------------------------------|------------------------|
| Quarter ending June 30, 2013 | : End of July, 2013 |
| Quarter ending Sept.30, 2013 | : End of October, 2013 |
| Quarter ending Dec.31, 2013 | : End of January, 2014 |
| Quarter ending March 31, 2014 | : End of April, 2014. |

Annual General Meeting for the
Year ended March 31, 2014 : End of September, 2014

ii) **Dates of Book Closure** : 27.09.2013 to 30.09.2013 (both days inclusive)

iii) **Dividend payment date** : No dividend declared.

iv) **Listing on Stock Exchange at** : The Stock Exchange, Mumbai

vi) Demat ISIN Number in NSDL and CDSL: INE033E01015

vii) **Stock Market Data:**

(in Rupees)

| Year 2012-2013 | Bombay Stock Exchange | |
|-----------------|-----------------------|-------------------|
| | Month's High Price | Month's Low Price |
| April, 2012 | 5.84 | 5.55 |
| May, 2012 | 5.34 | 5.00 |
| June, 2012 | 5.50 | 4.76 |
| July, 2012 | 5.48 | 3.30 |
| August, 2012 | 3.14 | 2.62 |
| September, 2012 | 2.62 | 2.62 |
| October, 2012 | 2.77 | 2.67 |
| November, 2012 | 4.31 | 2.82 |
| December, 2012 | 5.86 | 4.41 |
| January, 2013 | 6.15 | 4.98 |
| February, 2013 | 5.25 | 4.90 |
| March, 2013 | 5.00 | 4.76 |



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viii) Registrar and Share Transfer Agent :

Adroit Corporate Services Pvt. Ltd.
19, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road,
Marol Naka, Mumbai - 400 059.
Tel.: 2859 0942/2850 3748

ix) Share Transfer System :

Share Transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The power to approve transfer of securities has been delegated by the Board to the Shareholders / Investors Grievance and Share Transfer Committee, which meets once in a fortnight. Share transfer requests are processed within an average of 15 days from the date of receipt. Letters are sent to the shareholders after transfer of shares in their names giving an option for dematerialization of shares of the physical shares. Physical shares are dematerialization, share certificates are dispatched by Registered Posts.

x) (a) Distribution of Shareholding (as on 31.03.2013):

| | | For the Year 2012 - 2013 | | | |
|------------------|--------|--------------------------|-------------------|--------------------|-------------------|
| | | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
| Upto | 500 | 1942 | 71.93 | 454,030 | 15.14 |
| 501 - | 1000 | 442 | 16.37 | 397,221 | 13.24 |
| 1001 - | 2000 | 186 | 6.89 | 306,516 | 10.22 |
| 2001 - | 3000 | 55 | 2.04 | 140,952 | 4.70 |
| 3001 - | 4000 | 18 | 0.67 | 62,995 | 2.10 |
| 4001 - | 5000 | 20 | 0.74 | 92,485 | 3.08 |
| 5001 - | 10000 | 20 | 0.74 | 151,181 | 5.04 |
| 10001 - | 999999 | 17 | 0.63 | 1,394,620 | 46.49 |
| T O T A L | | 2700 | 100.00 | 3,000,000 | 100.00 |

(b) Categories of Shareholders (as on 31.03.2013)

For the period 2012- 2013

| | Categories | No. of Shares held | % of Shareholders |
|----------|---------------------------|--------------------|-------------------|
| A | Promoter's holding | | |
| a. | Promoters | | |
| | Indian Promoters | 1,093,300 | 36.44 |
| | Foreign Promoters | ----- | ----- |
| b. | Person acting in concert | ----- | ----- |
| | Sub-total | 1,093,300 | 36.44 |



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| | | | |
|----------|---|----------------|---------------|
| B | | | |
| 1 | Institutional Investors | | |
| a | Mutual Funds and UTI | ----- | ----- |
| b | Banking, financial institutions/ Insurance Companies | ----- | ----- |
| c | FIIIs | ----- | ----- |
| d | Others | ----- | ----- |
| | | | |
| 2 | Non- Institutions | | |
| a | Bodies Corporate | 40,313 | 1.34 |
| b | Indian Public | 1,453,564 | 48.45 |
| c | NRI | 410,423 | 13.68 |
| d | Any other | ----- | ----- |
| | Directors | 2400 | 0.08 |
| | Sub- total | 1906700 | 63.56 |
| | Grand Total | 3000000 | 100.00 |

xi) **Dematerialization of shares and Liquidity :**

Over 67.81% of the shares have been dematerialized up to 31st March, 2013. There are 588 and 253 beneficial holders held in the NSDL and CDSL Depository respectively, to whom all company's mailers and Annual Reports are dispatched in addition to registered members. The shares of the Company are listed in Mumbai Stock Exchange and hence facilitate liquidity.

- xii) **Address for correspondence:** Mid East Portfolio Management Limited
144, Atlanta, Nariman Point,
Mumbai - 400 021.
Tel: 28240444



MIDEAST PORTFOLIO MANAGEMENT LIMITED

CEO / CFO CERTIFICATION

The Board of Directors,
**MID EAST PORTFOLIO MANAGEMENT
LIMITED**
144, Atlanta, Nariman point,
Mumbai-400021

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2013 and that to the best of our knowledge and belief;
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 2) 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) No transaction is entered into by the company during the year which is 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 that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
- 1) Significant changes in internal control over financial reporting during the year.
 - 2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) Instances of significant fraud of which we have become aware and the involvement there in, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For & on behalf of the Board of Directors of
Mid East Portfolio Management Ltd**

**Place : Mumbai
Date : 27th May, 2013**

**Kishor A. Shah
Managing Director**



MIDEAST PORTFOLIO MANAGEMENT LIMITED

COMPLIANCE CERTIFICATE

To
The Members of
MID EAST PORTFOLIO MANAGEMENT LIMITED

It is hereby certified and examined that as provided in Clause 49 I (D) of the listing agreement with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March 2013.

Registered Office :
144, Atlanta,
Nariman Point,
Mumbai - 400 021

Place : Mumbai
Date : 27th May, 2013

**For & on behalf of the Board of Directors of
Mid East Portfolio Management Ltd**

Kishor A. Shah
Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACRO ECONOMIC ENVIRONMENT

The year 2012-13 had been a year of slow growth world over and as per IMF forecast Global Economy is likely to show a growth of 3.3% during 2013 as compared to growth of 3.2% during 2012. The Global Economies witnessed a subdued growth with diverging growth paths across major economies. US economy which has registered a modest recovery is again subject to the adverse impact of the budget sequestration which will gradually gain pace during 2013. Japan's economy has shown signs of improvement on account of monetary and fiscal stimulus undertaken. The sovereign debt crises and the danger of a banking system meltdown in peripheral euro zone countries coupled with contraction in its major economies like Germany has resulted in negative growth in Euro zone. The growth in the Emerging Market Economies which are viewed as growth engines of the world economy world over have also slowed down with Brazil and South Africa registering accelerated growth where as Russia, China and India a lower growth. According to the Central Statistics Office's advance estimate of GDP growth, Indian Economy is expected to grow at 5% during the year 2012-13 as compared to a growth of 6.21% registered during 2011-12. This has been mainly on account of weak industrial activity compounded by domestic supply bottlenecks and slackening of external demand. This has also slowdown the growth in the service sector which has been the main driver of the growth.

The Reserve Bank of India in order to strike a balance in growth- inflation dynamics has initiated various measures during 2012-2013 to provide greater liquidity to financial system. This has resulted in moderating the headline inflation within its acceptable level. The food inflation as measured by new combined (rural and urban) consumer price index (CPI) remains in double digit is a cause of concern. The measures initiated are expected to result in moderate growth in GDP in the second half of 2013-2014.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The last year (2012-2013) has been the most eventful period for the Indian securities market during which it took major strides to carve a niche for itself in the global securities markets. The major developments which hastened this incredible journey can broadly be observed under three categories, viz. improved market microstructure, introduction of new products and progressive changes in the regulatory framework.

2. OPPORTUNITY AND THREATS

Opportunities

The Indian money market is "a market for short-term and Long term funds with maturity ranging from overnight to one year and includes financial instruments that are deemed to be close substitutes of money. It is diversified and has evolved through many stages, from the conventional platform of treasury bills and call money to commercial paper, certificates of deposit, repos, FRAs and IRS more recently.

The Indian money market consists of diverse sub-markets, each dealing in a particular type of short-term credit. The money market fulfills the borrowing and investment requirements of providers and users of short-term funds, and balances the demand for and supply of shortterm funds by providing an equilibrium mechanism.

In Stock Market or Capital Market, the first and foremost thing of strength is its ability to provide high return. SEBI is a regulatory body of Indian stock market which protects the interest of the investors which is an added benefit of Stock Market. Large number of securities which provides medium for investment and thus people can make money by way of investing wisely in Stock Market. Large numbers of Brokers are there in Market who plays a role of facilitator for investment.



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Threats & Concerns

The Indian economy is caught between low growth and stubbornly high inflation. Last month, the International Monetary Fund (IMF) revised the year-over-year GDP growth forecast of India to 5.7 percent for 2013, down from its January estimate of 5.9 percent. The IMF attributed structural factors as the primary reasons for the poor performance, rather than the cyclical factors cited by the government last month. Additionally, the IMF expects consumer price inflation to remain at around 10 percent in 2013 due to a rise in food and fuel prices. Lately, there have been signs of easing inflationary pressures. The wholesale-price inflation has steadily decreased since late 2012, while consumer-price inflation went below 10 percent this May, as the economy operates below capacity. However, the government's attempt to reduce the fuel subsidy bill by raising administered fuel prices will likely reverse the fall in inflation in the remaining part of the year.

3. SEGMENTWISE PERFORMANCE

Presently your Company is dealing in one segment i.e. financial services and another, wind project power generation.

4. OUTLOOK

The growing economy and ever increasing capital market provides a good scope of expansion of financial service sector. Your Company is very well prepared to grab the opportunities. The management is very optimistic about the future of the Company.

5. RISKS AND CONCERNS

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management in the form of a corporate insurance program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer. The program covers all potential risks relating to business operations of the Company at its various locations.

The Company's business critical software is operated on a server with regular maintenance and back-up of data and is connected with two physically separated servers. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. Updated tools are regularly loaded to ensure a virus free environment..

6. INTERNAL CONTROL SYSTEMS

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

7. FINANCIAL PERFORMANCE

The Company has achieved a turnover of 13.58 Lacs during the current year as against 13.26 Lacs in the previous financial year. During the current year Company has suffered loss 19.21 Lacs as against loss of 26.65 Lacs in the previous financial year.



MIDEAST PORTFOLIO MANAGEMENT LIMITED

8. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2012-2013, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

9. CAUTIONARY STATEMENT

Statements in this report on management discussion and analysis describing the company's objectives, projections, estimates, expectations and prediction are based on certain assumption and expectation of future events. Actual result could differ materially from those expressed or implied. The Company assumes no responsibility to amend, modify or revise any of the statements on the basis of subsequent developments, information or events.

**For & on behalf of the Board of Directors of
Mid East Portfolio Management Ltd**

**Place : Mumbai
Date : 27th May, 2013**

**Kishor A. Shah
Managing Director**



MIDEAST PORTFOLIO MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT

To,
The Members,
MIDEAST PORTFOLIO MANAGEMENT LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of **MIDEAST PORTFOLIO MANAGEMENT LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

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

3. Auditors' Responsibility

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

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

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



MIDEAST PORTFOLIO MANAGEMENT LIMITED

4. Basis for Modified Opinion

Attention is invited to:

- i. *Non provision for arrears of fixed dividend payable on 11% Cumulative Preference shares of Rs. 20,000,000/- since its allotment on 31.03.1998 and non-redemption of matured preference shares. Refer note no. 19(b) and (c) of Notes to accounts.*
- ii. *Non provision for the diminution in the value of investments. The loss is understated to the extent of Rs.11,721,250/- and the investments are correspondingly overstated to that extent.*
- iii. *The granting of loans in violation of the provision of Section 295 and 372A of the Companies Act, 1956.*
- iv. *The charging of Gratuity and Leave Encashment benefits to the Statement of Profit and Loss in the year in which such expenditure is incurred which is contrary to the requirements of AS-15, which requires that an appropriate amount should be charged to the Statement of Profit and Loss on actuarial valuation and other disclosure requirements. According to the Management the amount is insignificant.*

5. Opinion

Except for the effects of the matters described in the “Basis for Qualified Opinion” para 4 above, in our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement Profit and Loss, of the Loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

6. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditors’ Report) Order, 2003 (“the Order”) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- ii. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;



MIDEAST PORTFOLIO MANAGEMENT LIMITED

- 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 subsection (3C) of section 211 of the Companies Act, 1956, except for non-compliance with AS-15 as stated in "Basis for Qualified Opinion" para 4 (iv) above.
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W**

**Place :Mumbai
Date : 27th May, 2013**

**Chetan M. Shah
Partner
Membership No. 47178**



MIDEAST PORTFOLIO MANAGEMENT LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 5 (i) of our report of even date)

1. Fixed Assets
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Fixed Assets have been physically verified by the management as of the year-end. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No discrepancies were noticed on such verification.
 - (c) No fixed assets have been disposed of during the year.
2. The company does not have any Inventories and hence clause 4 (ii) of the order is not applicable to the company.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) The Company has granted unsecured interest free loan to a company covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year as well as yearend balance for the same was Rs.93,25,000/-. The company has not taken any loan, secured or unsecured from any parties listed in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) In our opinion and according to the information and explanation given to us, the terms and conditions of the said loan are not prima facie prejudicial to the interest of the company.
 - (c) According to the information and explanation given to us, the above said loans given are receivable on demand.
 - (d) The Company has received unsecured loan from a director. The maximum amount involved during the year as well as the yearend balance for the same was Rs. 14,95,500/-.
 - (e) The above loan is interest free and repayable on demand. In our opinion, the said loan is not prima facie prejudicial to the interest of the company.
 - (f) As per information and explanation given to us, the above loan is repayable on demand. The said loan was repaid as and when demanded.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal control system in respect of the said areas.
5. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that needed to be entered into the register required to be maintained under the said section have been so entered.



MIDEAST PORTFOLIO MANAGEMENT LIMITED

- (b) There were no transactions in excess of rupees five lakhs and therefore the question of reasonableness does not arise.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. The Company does not have an internal audit system.
8. The central government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956

9. Statutory Dues

- (a) According to the information and explanations given to us and according to the books and records as produced before us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Income Tax and Other applicable Statutory Dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the said applicable statutory dues were in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, following are the disputed statutory dues that have not been deposited on account of matters pending before the appropriate authorities:

| Name of the statutory Dues | Forum where dispute is pending | Unpaid Amount (Rs. in lacs) |
|----------------------------|--------------------------------|-----------------------------|
| Income Tax | High Court | 45.59 |

10. The accumulated loss of the Company at the end of the financial year does not exceed fifty percent of its net worth and the Company has incurred cash losses during the current year and in the immediately preceding financial year.
11. Based on the audit procedures and according to the information and explanation given to us there were no dues outstanding to banks except in case of year end overdrawn balance of Rs. 53,446/- .
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the requirements of Clause 4(xii) of the Order are not applicable.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the requirements of Clause 4(xiii) of the Order are not applicable.
14. During the year, the Company has not dealt or traded in shares, securities, debentures and other investments. Therefore, the requirements of Clause 4(xiv) of the Order are not applicable.



MIDEAST PORTFOLIO MANAGEMENT LIMITED

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the requirements of Clause 4(xv) of the Order are not applicable.
16. The Company has not obtained any term loans during the year and therefore the requirements of Clause 4(xvi) of the Order are not applicable.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short - term basis have *prima facie*, not been used during the year for long term investments and vice versa.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the requirements of Clause 4(xviii) of the Order are not applicable.
19. During the year, the Company has not issued any debentures nor does it have any outstanding secured debentures. Therefore, the requirements of Clause 4(xix) of the Order are not applicable.
20. During the year, the Company has not raised any monies by way of Public Issue. Therefore, the requirements of Clause 4(xx) of the Order are not applicable.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W**

**Place :Mumbai
Date : 27th May, 2013**

**Chetan M. Shah
Partner
Membership No. 47178**



MIDEAST PORTFOLIO MANAGEMENT LIMITED

Balance Sheet as on 31st March, 2013

(Amount in Rupees)

| Particulars | Note No. | As at 31st March, 2013 | As at 31st March, 2012 |
|-------------------------------|----------|------------------------|------------------------|
| Equity and Liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 49,573,050 | 49,573,050 |
| Reserves and surplus | 4 | (22,953,063) | (21,031,532) |
| Current liabilities | | | |
| Short Term Borrowings | 5 | 5,048,946 | 4,056,696 |
| Trade payables | 6 | 2,175,311 | 1,783,957 |
| Other current liabilities | 7 | 71,409 | 287,655 |
| TOTAL | | 33,915,653 | 34,669,826 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 8 | 3,729,911 | 4,348,747 |
| Non-current Investments | 9 | 11,721,250 | 11,721,250 |
| Long-term loans and advances | 10 | 15,276,975 | 15,426,975 |
| Current assets | | | |
| Trade receivables | 11 | 3,043,091 | 3,002,127 |
| Cash and cash equivalents | 12 | 87,138 | 108,009 |
| Short-term loans and advances | 13 | 57,287 | 62,718 |
| TOTAL | | 33,915,652 | 34,669,826 |

Significant Accounting Policies and Notes on Financial Statements 1 to 32

As per our attached report of even date

For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

For and on Behalf of the Board
of directors of
Mid East Portfolio Management Limited

Kishor A. Shah
Managing Director

Chetan M. Shah
Partner
Membership No. 47178

Jyoti K. Shah
Director

Place :Mumbai
Date : 27th May, 2013

Place :Mumbai
Date : 27th May, 2013

**MIDEAST PORTFOLIO MANAGEMENT LIMITED****Statement of Profit and Loss for the year ended 31st March, 2013**

(Amount in Rupees)

| Particulars | Note No. | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|---------------------------------------|----------|-------------------------------------|-------------------------------------|
| Income : | | | |
| Revenue from operations | 14 | 309,493 | 479,714 |
| Other income | 15 | 1,049,482 | 846,906 |
| Total Income | | 1,358,975 | 1,326,620 |
| Expenditure : | | | |
| Finance costs | 16 | 551,183 | 778,244 |
| Depreciation and amortization expense | 8 | 618,836 | 618,836 |
| Employees Benefit Expenses | 17 | 1,232,906 | 1,492,594 |
| Directors Remuneration | | - | - |
| Administrative and Other expenses | 18 | 877,581 | 1,102,182 |
| Total Expenditure | | 3,280,506 | 3,991,856 |
| Profit / (Loss) before tax | | (1,921,531) | (2,665,236) |
| Tax expense: | | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| Profit / (Loss) for the year | | (1,921,531) | (2,665,236) |
| Earnings per share: | | | |
| Basic and Diluted [Refer note no. 21] | | (0.65) | (0.90) |

Significant Accounting Policies and Notes on Financial Statements

1 to 32

As per our attached report of even date

For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

For and on Behalf of the Board
of directors of
Mid East Portfolio Management Limited

Kishor A. Shah
Managing Director

Chetan M. Shah
Partner
Membership No. 47178

Jyoti K. Shah
Director

Place :Mumbai
Date : 27th May, 2013

Place :Mumbai
Date : 27th May, 2013

**MIDEAST PORTFOLIO MANAGEMENT LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013****AS PER THE CLAUSE 32 OF THE LISTING AGREEMENT**

| | 2012-2013 Amount (Rs) | 2011-2012 Amount (Rs) |
|--|--------------------------|--------------------------|
| A Cash Flow From Operating Activities | | |
| Net Profit / (Loss) Before Taxation & Extra Ordinary Item | (1,921,531) | (2,665,236) |
| Adjustment For | | |
| Depreciation | 618,836 | 618,836 |
| Sundry Balance Written Back | (8,548) | |
| Finance Cost | 551,183 | 751,994 |
| Dividend Received | (936) | (1,270) |
| Operating Profit Before Working Capital Changes | (760,996) | (1,295,676) |
| Trade Payables | 391,354 | 436,659 |
| Other Current Liabilities | (207,698) | |
| Long Term Loans and Advances | 150,000 | 2,258,333 |
| Trade receivables | (40,964) | |
| Short-term loans and advances | 5,431 | |
| Trade Payable | | 675,404 |
| Cash Generation From Operations | (462,873) | 2,074,720 |
| Less: Direct Taxes Paid | - | - |
| Net Cash From Operating Activities | (462,873) | 2,074,720 |
| B Cash Flow From Investing Activities | | |
| Dividend Received | 936 | 1,270 |
| Net Cash From Investing Activities | 936 | 1,270 |
| C Cash Flow From Financial Activities | | |
| Proceed from Bank Overdraft | 992,250 | (2,150,220) |
| Finance Cost | (551,183) | (751,994) |
| Net Cash Flow In Financing Activities | 441,067 | (2,902,214) |
| Net Increase In Cash & Cash Equivalents (A+B+C) | (20,870) | (826,224) |
| Opening Balance Of Cash & Bank | 108,009 | 934,233 |
| Closing Balance Of Cash & Bank | 87,139 | 108,009 |

For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

For and on Behalf of the Board
of directors of
Mid East Portfolio Management Limited

Kishor A. Shah
Managing Director

Chetan M. Shah
Partner
Membership No. 47178

Jyoti K. Shah
Director

Place : Mumbai
Date : 27th May, 2013

Place : Mumbai
Date : 27th May, 2013



MIDEAST PORTFOLIO MANAGEMENT LIMITED

Notes forming part of Financial Statements

1 Company Background

Mideast is a Public Limited finance company. Its equity shares are listed on Mumbai Stock Exchanges. It has more than 5000 Shares holders.

Mideast is registered with Securities Exchange Board of India (SEBI) as Merchant Bankers and Portfolio Managers (Applied for renewal of licence). It has managed public issues as Lead Managers and acted as IPO advisors. It has contributed significant amount in mobilising / marketing IPOs to NRIs abroad. Mideast is also engaged in Corporate advisory services, Loan Syndication, Debt Placement, arranging External Commercial Borrowings (ECB) etc.

2 Statement of Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

The financial statement have been prepared under the historical cost convention on the accrual basis, in accordance with the generally accepted accounting principles and materially comply with the Accounting Standards specified by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

2.2 Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the year in which results are known / materialised.

2.3 Fixed Assets

Fixed Assets are stated at their cost of acquisition/ construction including incidental expenses related to acquisition, construction and installation of the concerned assets.

2.4 Depreciation :

Depreciation on Fixed Assets is provided on Straight Line Method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation is provided upto 95% of gross block value.

2.5 Revenue recognition

Income from Portfolio Management Services is recognised on receipt basis.

2.6 Investments

Investments held by the Company are of long term in nature and are stated at cost.

2.7 Retirement benefit

Gratuity and Leave encashment benefit is accounted for on cash basis.

2.8 Prior period adjustments, extra ordinary items and changes in accounting policies

Prior period adjustments, extraordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

2.9 Taxes on income

Current tax is determined on the amount of tax payable in respect of taxable income for the year.

The deferred tax charge or credit is recognized using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets / liabilities are reviewed as at each balance sheet date based on developments during the year and available case laws, to reassess realization/liabilities.



Notes forming part of Financial Statements

3 Share Capital

3.1 Details of Authorised , Issued, Subscribed & Paid up Share Capital

| Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|--|------------------------|--------------------|------------------------|--------------------|
| | Number | Amount in Rs. | Number | Amount in Rs. |
| Authorised | | | | |
| Equity Shares of Rs. 10/-each | 8,000,000 | 80,000,000 | 8,000,000 | 80,000,000 |
| Preference Shares of Rs. 100/- each | 200,000 | 20,000,000 | 200,000 | 20,000,000 |
| | 8,200,000 | 100,000,000 | 8,200,000 | 100,000,000 |
| Issued | | | | |
| Equity Shares of Rs. 10/- each | 3,000,000 | 30,000,000 | 3,000,000 | 30,000,000 |
| Preference Shares of Rs. 100/- each | 200,000 | 20,000,000 | 200,000 | 20,000,000 |
| | 3,200,000 | 50,000,000 | 3,200,000 | 50,000,000 |
| Subscribed & Paid up | | | | |
| Equity Shares of Rs. 10/- each fully paid | 3,000,000 | 30,000,000 | 3,000,000 | 30,000,000 |
| Less : Allotment Money Due | | 51,750 | | 51,750 |
| Call Money Due | | 375,200 | | 375,200 |
| | | 29,573,050 | | 29,573,050 |
| Preference Shares of Rs. 100/- each | 200,000 | 20,000,000 | 200,000 | 20,000,000 |
| 200,000 11% Cumulative Redeemable Preference Share of Rs.100/- each Fully Paid Up (These Shares are redeemable at par at the end of 39 months from the date of issue i.e. 31st March, 1998) [Refer note no. 19(b)] | | | | |
| Total | 3,200,000 | 49,573,050 | 3,200,000 | 49,573,050 |

All of the above shares carry equal voting rights and there are no restrictions / preferences attached to any of the above shares.

3.2 Reconciliation of the outstanding number of shares

| Particulars | Equity Shares | | Equity Shares | |
|---|------------------------|-------------------|------------------------|-------------------|
| | As at 31st March, 2013 | | As at 31st March, 2012 | |
| | Number | Amount in Rs. | Number | Amount in Rs. |
| Shares outstanding at the beginning of the year | 3,000,000 | 30,000,000 | 3,000,000 | 30,000,000 |
| Add: Shares Issued during the year | - | - | - | - |
| Less: Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 3,000,000 | 30,000,000 | 3,000,000 | 30,000,000 |

| Particulars | Preference Shares | | Preference Shares | |
|---|------------------------|-------------------|------------------------|-------------------|
| | As at 31st March, 2013 | | As at 31st March, 2012 | |
| | Number | Amount in Rs. | Number | Amount in Rs. |
| Shares outstanding at the beginning of the year | 200,000 | 20,000,000 | 200,000 | 20,000,000 |
| Add: Shares Issued during the year | - | - | - | - |
| Less: Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 200,000 | 20,000,000 | 200,000 | 20,000,000 |

3.3 The details of shareholders holding more than 5% shares

| Name of Shareholder | As at 31st March, 2013 | | As at 31st March, 2012 | |
|---------------------|------------------------|--------------|------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Kishor A. Shah | 581,500 | 19.38% | 581,500 | 19.38% |
| Jyoti K. Shah | 350,000 | 11.67% | 350,000 | 11.67% |



MIDEAST PORTFOLIO MANAGEMENT LIMITED

Notes forming part of Financial Statements

4 Reserves and Surplus

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--------------------------|------------------------|------------------------|
| | Amount in Rs. | Amount in Rs. |
| General Reserve | 520,000 | 520,000 |
| Surplus | | |
| Opening balance | (21,551,532) | (18,886,296) |
| Add: (Loss) for the year | (1,921,531) | (2,665,236) |
| Closing balance | (23,473,063) | (21,551,532) |
| Total | (22,953,063) | (21,031,532) |

5 Short Term Borrowings

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|---|------------------------|------------------------|
| | Amount in Rs. | Amount in Rs. |
| Secured Loan | | |
| Mortgage Overdraft from Bank (Secured against Office Premises of Sister concern and personal guarantee of Directors including Managing Director) Details of continuing default as on Balance Sheet date : Rs. 53,446/- continuing from March 30, 2013. | 3,553,446 | 3,407,696 |
| Unsecured Loan | | |
| Loan from a director | 1,495,500 | 649,000 |
| Total | 5,048,946 | 4,056,696 |

6 Trade Payables

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|------------------------|------------------------|
| | Amount in Rs. | Amount in Rs. |
| Micro, Small and Medium Enterprises[Refer note no. 29] | - | - |
| From other related party | 374,500 | - |
| Others | 1,800,811 | 1,783,957 |
| Total | 2,175,311 | 1,783,957 |

7 Other Current Liabilities

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--------------------------------------|------------------------|------------------------|
| | Amount in Rs. | Amount in Rs. |
| Service Tax Payable | - | 131,017 |
| Outstanding expenses | 11,000 | 144,380 |
| Bank Overdraft due to reconciliation | 56,409 | 12,258 |
| Statutory Liabilities | 4,000 | - |
| Total | 71,409 | 287,655 |



Notes forming part of Financial Statements

8 Fixed Assets

(Amount in Rupees)

| Sr. No. | Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|---------|------------------------------|-----------------------|-------------------------------------|------------------------|-----------------------|---------------------------|------------------------|------------------------|------------------------|
| | | As on 1st April, 2012 | Addition/ Deduction During the Year | As on 31st March, 2013 | As on 1st April, 2012 | Depreciation For the Year | As on 31st March, 2013 | As on 31st March, 2013 | As on 31st March, 2012 |
| | Tangible Assets : | | | | | | | | |
| 1 | Land | 2,223,592 | - | 2,223,592 | - | - | - | 2,223,592 | 2,223,592 |
| 2 | Plant & Machinery (Windmill) | 10,767,056 | - | 10,767,056 | 8,907,929 | 568,500 | 9,476,429 | 1,290,627 | 1,859,127 |
| 3 | Computers | 2,902,634 | - | 2,902,634 | 2,841,051 | - | 2,841,051 | 61,583 | 61,583 |
| 4 | Furniture & Fixture | 1,275,926 | - | 1,275,926 | 1,275,925 | - | 1,275,925 | 1 | 1 |
| 5 | Office Equipment | 1,059,668 | - | 1,059,668 | 855,224 | 50,336 | 905,560 | 154,108 | 204,444 |
| | Total | 18,228,876 | - | 18,228,876 | 13,880,129 | 618,836 | 14,498,965 | 3,729,911 | 4,348,747 |
| | Previous Year | 18,228,876 | - | 18,228,876 | 13,261,293 | 618,836 | 13,880,129 | 4,348,747 | 4,967,583 |



MIDEAST PORTFOLIO MANAGEMENT LIMITED

Notes forming part of Financial Statements

9 Non Current Investments [Refer note no. 27]

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|------------------------|------------------------|
| | Amount in Rs. | Amount in Rs. |
| Unquoted Equity Shares | | |
| Non Trade: | | |
| I. Equity Shares/Units : | | |
| (a) 700 Shares of Mukerian Papers Ltd | 49,000 | 49,000 |
| (b) 8,42,320 Shares of Montage Securities Ltd. | 8,423,200 | 8,423,200 |
| (c) 1,43,000 Shares of Ashik Woollen Ltd. | 3,150,000 | 3,150,000 |
| (d) 9,805 Shares of Janakalyan Sahakari Bank Ltd | 98,050 | 98,050 |
| | 11,720,250 | 11,720,250 |
| II. Government Securities : | | |
| 10% N.S.C. VIII Issue | 1,000 | 1,000 |
| | 1,000 | 1,000 |
| Total | 11,721,250 | 11,721,250 |

NOTE : All the above mentioned Shares are fully paid-up

10 Long Term Loans and Advances

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|------------------------|------------------------|
| | Amount in Rs. | Amount in Rs. |
| (Unsecured, considered good) | | |
| Loans to a related party | 9,325,000 | 9,325,000 |
| Loans to Others | 748,338 | 748,338 |
| Income tax Payment [Refer note no. 19 (a)] | 4,823,637 | 4,823,637 |
| Deposits | | |
| TNEB Deposit | 225,000 | 225,000 |
| Security Dep - MSE | 5,000 | 5,000 |
| Security Dep - Andheri office | 150,000 | 300,000 |
| Total | 15,276,975 | 15,426,975 |

11 Trade Receivables

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|---|------------------------|------------------------|
| | Amount in Rs. | Amount in Rs. |
| Trade receivables outstanding for a period exceeding six months | 3,032,418 | 2,016,320 |
| Others | 10,673 | 985,807 |
| Total | 3,043,091 | 3,002,127 |



MIDEAST PORTFOLIO MANAGEMENT LIMITED

Notes forming part of Financial Statements

12 Cash and Cash Equivalents

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|----------------------|------------------------|------------------------|
| | Amount in Rs. | Amount in Rs. |
| Cash in hand | 39,470 | 81,170 |
| Balance with Banks - | | |
| In Fixed Deposit | 10,000 | 10,000 |
| In Current Account | 37,668 | 16,839 |
| Total | 87,138 | 108,009 |

13 Short Term Loans and Advances

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|---|------------------------|------------------------|
| | Amount in Rs. | Amount in Rs. |
| Advance to staff | 15,000 | 20,372 |
| Advance tax and Tax Deducted at Source (net of provision) | 25,314 | 25,314 |
| Prepaid Expenses | 16,973 | 17,032 |
| Total | 57,287 | 62,718 |



MIDEAST PORTFOLIO MANAGEMENT LIMITED

Notes forming part of Financial statements

14 Revenue from Operations

| Particulars | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|-----------------|-------------------------------------|-------------------------------------|
| | Amount in Rs. | Amount in Rs. |
| Management Fees | - | 52,711 |
| Service Charges | 309,493 | 427,003 |
| Total | 309,493 | 479,714 |

15 Other Income

| Particulars | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|-----------------------------|-------------------------------------|-------------------------------------|
| | Amount in Rs. | Amount in Rs. |
| Sale of Electricity | 1,038,288 | 839,131 |
| Dividend | 936 | 1,270 |
| New Issue Commission | 1,710 | 6,505 |
| Sundry Balance Written Back | 8,548 | - |
| Total | 1,049,482 | 846,906 |

16 Finance Cost

| Particulars | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|-------------------------|-------------------------------------|-------------------------------------|
| | Amount in Rs. | Amount in Rs. |
| Interest paid to Bank | 523,633 | 522,034 |
| Interest paid to others | - | 229,960 |
| Loan Processing Fees | 27,550 | 26,250 |
| Total | 551,183 | 778,244 |

17 Employees Benefit Expenses

| Particulars | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|---|-------------------------------------|-------------------------------------|
| | Amount in Rs. | Amount in Rs. |
| Salaries | 1,203,000 | 1,464,129 |
| Contribution to P.F. and other Allied Funds | 29,220 | 28,239 |
| Staff Welfare Expenses | 686 | 226 |
| Total | 1,232,906 | 1,492,594 |



MIDEAST PORTFOLIO MANAGEMENT LIMITED

Notes forming part of Financial Statements

18 Administrative and Other expenses

| Particulars | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|---|--|--|
| | Amount in Rs. | Amount in Rs. |
| Printing, Stationery & Xerox Charges | 1,637 | 10 |
| Postage, Telephone & Fax | 13,392 | 2,941 |
| Windmill Maintenance Charges | 273,156 | 183,066 |
| Office Rent | 406,500 | 636,000 |
| Advertisement & Publicity | 36,179 | 26,869 |
| Payment to Auditors | 16,854 | 19,612 |
| Local conveyance & Motor car exp | 7,519 | 3,598 |
| Professional & Consultancy charges | 3,558 | 18,340 |
| Computer Software & Maintenance Charges | 3,298 | 11,923 |
| Insurance | 49,000 | 48,981 |
| Listing Fees | 16,854 | 16,545 |
| Membership, subscription & periodicals | - | 83,334 |
| Miscellaneous Expenses | 49,634 | 50,963 |
| Total | 877,581 | 1,102,182 |



MIDEAST PORTFOLIO MANAGEMENT LIMITED

Notes forming part of Financial Statements

19. Contingent Liability:-

- (a) The Company has received Assessment Order from Income Tax Department for Ass. Year 1995-96 raising a demand of Rs.93,82,760/- on account of various disallowances and additions. The company has preferred an appeal against the said Assessment Order to the Appellate Authorities and no provision has been made for the net liability of Rs.45,59,122/-
- (b) The 200,000, 11% Cumulative Redeemable Preference shares of Rs. 100/- each issued on 31.03.1998 has already fall due for redemption on 30.06.2001, however the company has not redeemed the same in the absence of profits and inadequate reserves. It is therefore assumed that dividend on the same is payable till the time of final redemption.
- (c) The company has not provided for arrears of fixed cumulative dividend payable on 11% Cumulative, Preference Shares of Rs.20,000,000/- since its allotment on 31.03.1998. Total arrears of dividend Rs.33,550,000/- (Previous Year Rs.31,350,000/-).

20. Payment to Auditors :-

| | 2012-2013 | 2011-2012 |
|-------------------|---------------|---------------|
| | Rs. | Rs. |
| Audit Fees | 15,000 | 15,000 |
| Service Tax | 1,854 | 1,854 |
| In other capacity | Nil | 2,758 |
| TOTAL | 16,854 | 19,612 |

21. Earnings per Share

As per AS-20 "Earning per Share", the Company's EPS is as under

(Amount in Rupees)

| Particulars | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|---|--|--|
| Net Profit / (Loss) after tax as per Profit & Loss Account | (1,921,531) | (2,665,236) |
| Weighted average number of shares outstanding during the year | 3,000,000 | 3,000,000 |
| Basis and Diluted Earning Per Share | (0.65) | (0.90) |
| Face Value Per Equity Share | 10 | 10 |



MIDEAST PORTFOLIO MANAGEMENT LIMITED

22. Taxes on Income:-

22.1 No provision for the current tax has been made, as the Company does not expect any Income Tax liability.

22.2. In view of past brought forward unabsorbed depreciation and losses and lack of evidence of future taxable income, the Company has thought it prudent, not to recognize Deferred Tax Assets in its books.

23. Related Party Disclosures:-

The disclosure as required by AS-18 is as follows:

23.1 The names of the related parties are as under:

| Name of related parties | Nature of relation |
|--|--------------------|
| Supra Pacific Management Consultancy Limited | Associates |
| Mideast Energy Limited | |
| Mideast Properties Pvt Limited | |
| Mideast Retail Pvt Limited | |
| M/s. Kishor A. Shah | |
| Molem Investments and Finance Pvt Limited | |
| Mideast Healthcare Pvt Limited | |
| Mideast Windfarms Pvt Limited | |
| Kishor A. Shah | |
| Jyoti K. Shah | Director |
| Dilip S. Shah | Director |
| Urvish Shah | Director |
| Harish Kotian | Director |
| T R Ramanathan | Director |
| Vincent Mascarenhas | Director |



MIDEAST PORTFOLIO MANAGEMENT LIMITED

23.2 Details of Transactions:-

(Amount in Rupees)

| NATURE OF TRANSACTIONS | WITH ASSOCIATES | WITH KEY MANAGEMENT PERSONEL |
|---|-----------------|------------------------------------|
| 1. Loan received | | |
| Opening Balance | - | 649,000 |
| | (-) | (DR.591,700) |
| Credit During the year | - | 1,410,912 |
| | (-) | (2,472,050) |
| Debit during the year | - | 564,412 |
| | (-) | (1,231,350) |
| Closing Balance | - | 1,495,500 |
| | (-) | (649,000) |
| 2. Trade Payable : | | |
| Opening Balance | - | - |
| | (-) | (-) |
| Credit During the year | 470,500 | - |
| | (510,000) | (-) |
| Debit during the year | 96,000 | - |
| | (510,000) | (-) |
| Closing Balance | 374,500 | - |
| | (-) | (-) |
| 3. Loans given : | | |
| Opening Balance | 9,325,000 | - |
| | (11,500,000) | (-) |
| Loans granted during the year | - | - |
| | (2,175,000) | (-) |
| Loans repaid during the year | - | - |
| | (-) | (-) |
| Closing Balance | 9,325,000 | - |
| | (9,325,000) | (-) |
| 4. Reimbursement of Rent Expenses: | | |
| Reimbursement of Rent Expenses incurred during the year | 96,000 | - |
| | (96,000) | (-) |

23.3 Related parties have been identified by the Management and relied upon by the auditors.



MIDEAST PORTFOLIO MANAGEMENT LIMITED

24. Segment Reporting:-

24.1 Primary Segment Reporting (By Business Segments)

The Company has considered Business Segment as primary segment for disclosure purpose and comprises of the following:-

- a) Financial Services and
 - b) Others (Pertains to Generation and Sale of Electricity from Windmill Operations)
- (Amount in Rupees)

| SEGMENT REVENUE | FINANCIAL SERVICES | OTHERS | TOTAL |
|-------------------------------------|--------------------|-----------|-------------------|
| Total Segment Revenues | 320,687 | 1,038,288 | 1,358,975 |
| Segment Results | (2,118,163) | 196,632 | (1,921,531) |
| Segment Assets | 31,396,741 | 2,518,911 | 33,915,652 |
| Segment Liabilities | 7,295,666 | Nil | 7,295,666 |
| Capital Expenditure during the year | Nil | Nil | Nil |
| Depreciation/ Amortisation | 50,336 | 5,68,500 | 6,18,836 |

24.2 Secondary Segment Reporting

The Company does not have a Secondary segment.

25. **Obligation on Long Term, Non Cancellable Operating lease assets taken on lease:**

Disclosure as per AS-19 is as follows:

- a. The company has taken commercial premises on Non Cancellable Operating lease and lease rent of Rs.406,500/-(P.Y. Rs. 636,000/-) has been debited to statement of profit and loss.
- b. The future minimum lease payments are as under:

| Particulars | For the year ended 31 st March, 2013 | For the year ended 31 st March, 2012 |
|---|--|---|
| Within one Year | 49,000[#] | Nil |
| After one year but more than five years | Nil | Nil |
| More than five years | Nil | Nil |

- c. There are no exception / restrictive covenants in the lease agreement.

[#] the above amount is after deducting Rs. 8,000/- p.m. recoverable from group company as share in rent.



MIDEAST PORTFOLIO MANAGEMENT LIMITED

26. In accordance with AS-13 issued by ICAI, the long term investments are valued at cost of acquisition. In respect of investment the market value/book value is lower then the acquisition cost. The Board of Directors are of the opinion that no provision is necessary for the diminution in the value of investment.
27. The Company has not provided for the diminution in the value of investments held. The loss, to the extent of Rs. 11,721,250/- being the value of the investments will increase.
28. The company has granted loans in violation of Section 295 of the Companies Act 1956.
29. There are no dues outstanding to Micro, Small & Medium Enterprises. Sundry debtors and creditors are subject to confirmation.
30. In the opinion of the Board of Directors, current assets, loan and advances have value on realization in the ordinary course of business at least equal to the amount at which they are stand and all known liabilities are provided for.
31. Figures of the previous year have been regrouped and reclassified wherever necessary.
32. The amount of Balance Sheet and Statement of Profit and loss are rounded off the nearest rupee.

Signature to Notes 1 to 32

As per our attached report of even date.

For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

For and on Behalf of the Board
Mid East Portfolio Management Limited

Chetan M. Shah
Partner
Membership No. 47178

Place :Mumbai
Date : 27th May, 2013

Kishor A Shah
Managing Director

Jyoti K. Shah
Director

Place :Mumbai
Date : 27th May, 2013



MIDEAST PORTFOLIO MANAGEMENT LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

| | |
|--------------------|------------|
| Registration No. | 11-062925 |
| Status Code | 11 |
| Balance Sheet Date | 31.03.2013 |

II Capital Raised during the period

| | |
|-------------------|-----|
| Public Issue | Nil |
| Right Issue | Nil |
| Bonus Issue | Nil |
| Private Placement | Nil |

III Position of Mobilisation and Deployment of Funds (Amt in Rs.)

| | |
|-------------------|------------|
| Total Liabilities | 33,915,653 |
| Total Assets | 33,915,653 |

SOURCE OF FUNDS

| | |
|-------------------------|--------------|
| Paid- up Capital | 49,573,050 |
| Reserve and Surplus | (22,953,063) |
| Non Current Liabilities | 5,048,946 |
| Current Liabilities | 2,246,720 |

APPLICATION OF FUNDS

| | |
|----------------------------|------------|
| Net Fixed Assets | 3,729,911 |
| Capital Work-in-progress | ----- |
| Investments | 11,721,250 |
| Current Assets | 3,187,516 |
| Long Term Loans & Advances | 15,276,975 |

IV PERFORMANCE OF THE COMPANY (Amt in Rs.)

| | |
|---------------------------------|-------------|
| Turnover including other income | 1,358,975 |
| Total Expenditure | 3,280,506 |
| Profit/(Loss) Before Tax | (1,921,531) |
| Short Provision for Income Tax | ----- |
| Profit/(Loss) After Tax | (1,921,531) |
| Earning per share | (0.65) |
| Dividend Rate (%) | ----- |

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF COMPANY (AS PER MONETARY TERMS)

| | |
|---------------------|----------------------|
| Item Code No. | |
| Product Description | Portfolio Management |
| Item Code No. | |
| Product Description | Financial Services |



MIDEAST PORTFOLIO MANAGEMENT LIMITED

MIDEAST PORTFOLIO MANAGEMENT LIMITED
144-ATLANTA, NARIMAN POINT, MUMBAI - 400 021
TEL: 2284 1198 \ 28240444

ATTENDANCE SLIP

ANNUAL GENERAL MEETING

Regd. Folio No. No. of Shares held

* Demat A/c. No. DPID NO.

I CERTIFY THAT I AM A Member/ Proxy of the Company.

I/We hereby record my/our presence at the **ANNUAL GENERAL MEETING** of the Company at 301, 3rd Floor, Apollo Arcade, Dr. R.K. Singh Marg, Andheri (E), Mumbai- 400 069 on Monday, the 30th September, 2013 at 9.30 a.m.

.....
Member/ Proxy's Name
(In Block Letters)

.....
(Signature of the Member/ Proxy)

Note: Please complete the Attendance Slip and hand it over at the entrance of the Meeting Place
* Those who hold shares in Demat form must quote their Demat A/c No. and Depository Participant (DP) No.

MIDEAST PORTFOLIO MANAGEMENT LIMITED
144- ATLANTA, NARIMAN POINT, MUMBAI - 400 021
TEL: 2284 1198/ 28240444

PROXY FORM

I/We. _____ of _____ in the district of _____ being a member(s) of MIDEAST PORTFOLIO MANAGEMENT LIMITED, hereby appoint _____ of _____ in the district of _____ failing _____ him/her _____ of _____ in the district of _____ as my/ our proxy to attend and vote for me/ us and on my behalf at the Annual General Meeting of the Company to be held on Monday, the 30th September, 2013 and at any adjournment thereof.

Regd. Folio No/DPID NO.

Number of Shares :

Signed this _____ Day of _____, 2013

Signature: _____

Note : The Proxy must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting.