

*20<sup>th</sup> Annual Report of  
2010-2011  
Mideast Portfolio Management Limited*



**Director**

Mr. Kishor A. Shah – Managing Director

Mrs. Jyoti K. Shah – Director

Mr. Vincent Mascarenhas – Director

Mr. Dilip S. Shah

Mr. Harish R. Kotian – Director

Mr. T. R. Ramanathan – Director

Mr. Urvish P. Shah – Director

**Auditors:**

MEHTA CHOKSHI & SHAH  
Chartered Accountants

**Bankers:**

HDFC Bank Limited  
Andheri (East) Branch

**Registered Office:**

144, Atlanta,  
Nariman Point  
Mumbai – 400 021

**Corporate Office:**

Star House, 2<sup>nd</sup> Floor, R.K. Singh Marg,  
Ambewadi, Andheri (E), Mumbai – 400 069



## **MIDEAST PORTFOLIO MANAGEMENT LIMITED**

### **NOTICE**

Notice is hereby given that 20<sup>th</sup> Annual General Meeting of the Mid East Portfolio Management Limited will be held on Thursday, 30<sup>th</sup> September, 2011 at 9.30 a.m. at its Corporate Office of the Company at Star House, 2<sup>nd</sup> Floor, Ambewadi, Opp. Apollo Complex, Dr. R.K. Singh 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 31<sup>st</sup> March, 2011 and Balance Sheet as at the date together with the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Urvish Shah who retires by rotation but being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Vincent Mascarenhas 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 : 12<sup>th</sup> August, 2011**

**By order of the Board**

**Kishor A.Shah**  
**(Chairman & 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 28<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2011 (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, 1<sup>st</sup> 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**  
**(Chairman & Managing Director)**

**Place: Mumbai**

**Date : 12<sup>th</sup> August, 2011**



**DIRECTOR'S REPORT**

**Director's Report to the Members**

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report of your company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2011.

**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, Mr. Urvish Shah and Mr. Vincent Mascarenhas retires by rotation but being eligible themselves 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 31<sup>st</sup> March 2011, 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 31<sup>st</sup> March, 2011 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.

### **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/S383 A 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**  
**(Chairman & Managing Director)**

**Place: Mumbai**  
**Date: 12<sup>th</sup> August, 2011**



**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 31<sup>st</sup> March 2011 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  
MID EAST PORTFOLIO MANAGEMENT LTD**

**Place : Mumbai  
Date : 12<sup>th</sup> August, 2011**

**KISHOR A. SHAH  
CHAIRMAN & 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 31<sup>st</sup> March 2011.

**FOR & ON BEHALF OF THE  
BOARD OF DIRECTORS  
MID EAST PORTFOLIO MANAGEMENT LTD**

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

**Place : Mumbai  
Date : 12<sup>th</sup> August, 2011**

**KISHOR A. SHAH  
CHAIRMAN & MANAGING DIRECTOR**



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**FORWARD LOOKING STATEMENTS**

This report contains forward-looking statement, which may be identified by their use of words like "expects", "will" or other words of similar meaning. Forward-looking statement is based on certain assumptions and expectations of future events and the Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend or revise the forward-looking statements or any loss to the investors in the shares of the Company making investments relying on such forward-looking statements.

**1. INDUSTRY STRUCTURE AND DEVELOPMENTS**

The last decade (2010-2011) 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**

Mideast Portfolio Management Limited is a Portfolio Management registered with SEBI. Apart of the fast growing economy of India and the demand for Issues coming from ever increasing size of securities market, a key opportunity is the launch of SME Exchanges by BSE and NSE which is expected shortly. Your company is considering being a first mover in these exchanges and taking advantage of the huge potential market size of this segment.

**Threats**

The financial sector throws open various avenues to the Indian Corporate for raising of funds are not only dependent on the IPO's and Rights Issues but they are looking for other avenues for mobilizations of funds and finance requirements. This poses a threat to our Business. Also, the increased uncertainty in the global economic environment, could affect the pace of decisions from corporate and hence delay fund raising plans.

**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**

Mideast is at present dependant on the conditions of primary and secondary capital market. Any adverse effect on the capital market could affect the performance and profitability of the Company.





**6. INTERNAL CONTROL SYSTEMS**

The Company has an adequate system of internal controls that ensure that all assets are protected against loss from unauthorized use or disposition and all transactions are recorded and reported in conformity with generally accepted accounting policies.

**7. FINANCIAL PERFORMANCE**

The Company has achieved a turnover of 15.73 Lacs during the current year as against 13.77 Lacs in the previous financial year. During the current year Company has suffered loss 27.46 Lacs as against loss of 16.39 Lacs in the previous financial year.

**8. HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

The industrial relations (with various financial intermediaries) remained cordial during the year under review.

**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 : 12<sup>th</sup> August, 2011**

**KISHOR A. SHAH  
CHAIRMAN & MANAGING DIRECTOR**



**To,**  
**The Members,**  
**Mideast Portfolio Management Limited**

**AUDITOR'S REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of **M/s. MIDEAST PORTFOLIO MANAGEMENT LIMITED, MUMBAI** as on 31<sup>st</sup> March, 2011 and also the Profit & Loss Account of the Company and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors Report) Order, 2003 (as amendment) (the Order) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:-
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for 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 books.
  - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d. In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-clause (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
  - e. On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31<sup>st</sup> March, 2011 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
3. *In our opinion, the Profit & Loss account and Balance Sheet comply with the Accounting Standards referred to in sub-section 3(C) of section 211 of the Companies Act, 1956 to the extent applicable except for :*
  - a. *The charging of Gratuity and Leave Encashment Benefits to the Profit & Loss account in the year in which such expenditure is incurred which is contrary to the requirements of the AS-15 issued by the Institute of Chartered Accountants of India which requires that*



## MIDEAST PORTFOLIO MANAGEMENT LIMITED

*an appropriate amount should be charged to the Profit & Loss Account on actuarial valuation and other disclosure requirements.*

- b. No provision has been made for arrears of fixed dividend payable on 11% Cumulative Preference Shares of Rs2,00,00,000/- since its allotment on 31.03.1998. Total arrears of dividend Rs.2,91,50,000/-, however there is no effect on the current years loss due to this non-provision. Further the preference shares have already matured and due but the same have not been redeemed due to absense of profits and inadequate reserves. Refer Note No. 2 to Notes to Accounts.*
- c. No provision has been made for the diminution in the value of investments. The loss is understated to the extend of Rs. 1,17,21,250/- and the investments are correspondingly overstated to that extent.*

Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India :-

- i) In the case of Balance Sheet of the state of affairs of the Company as on 31<sup>st</sup> March, 2011 and
- ii) In the case of the Profit & Loss Account of the Loss for the year ended on that date.
- iii) In the case of cash flow statement, of the Cash Flow for the year ended on that date.

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

**Place : Mumbai  
Date : 12<sup>th</sup> August, 2011**

**C.M.SHAH  
Partner  
M.NO: 47178**



**ANNEXURE**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) We are informed that the management during the year carried out the physical verification of fixed assets and the management on such verification noticed no material discrepancies.  
(c) During the year no substantial part of the fixed assets have been disposed of by the Company. Therefore, the provisions of clause (ic) of paragraph 4 of the aforesaid Order, in our opinion are not applicable to the company.
2. As the Company did not have any stocks, the question of its physical verification, maintenance of proper records and accounting of material discrepancies does not arise.
3. (a) According to the information and explanation given to us the Company has granted unsecured loans to three companies covered in the Register maintained under Section 301 of the Companies Act, 1956 aggregating to Rs.115 lacs. The maximum balance outstanding at any time during the year was Rs.117.74 lacs. 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 above said loans given are free of interest and to that extent the same may be regarded as prima facie prejudicial to the interest of the Company.  
(c) In our opinion and according to the information and explanation given to us, the above said loans given are receivable on demand.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets.
5. (a) To the best of our knowledge and belief and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of the Act have been so entered.  
(b) According to the information and explanations given to us, where such transactions, are in excess of Rs.5 lacs in respect of each party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time or the prices at which similar transactions have been made with other parties or as available with the Company.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public as defined under Section 58A and 58AA of the Companies Act,1956 and the rules framed there under.
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.



## MIDEAST PORTFOLIO MANAGEMENT LIMITED

9. (a) According to the records of the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it with the appropriate authorities. There are no undisputed amounts payable in respect of aforesaid dues which were outstanding as on 31<sup>st</sup> March, 2011 for a period of more than six months from the date they became payable, except for Service Tax due of Rs.1,30,883/-
- (b) According to the information and explanations given to us, following are the disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.

<b>NAMES OF THE STATUTORY DUES</b>	<b>FORUM WHERE DISPUTE IS PENDING</b>	<b>UNPAID AMOUNT RS. IN LACS</b>
Income Tax	High Court	45.59

10. The accumulated losses 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 our audit procedures and according to the information and explanations given to us, there were no dues outstanding to financial institutions, banks or debenture holders.
12. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to information and explanations given to us, the Company is not a chit fund or nidhi/mutual benefit fund or society. Therefore clause (xiii) of the order is not applicable to the Company.
14. In our opinion and according to information and explanations given to us, the Company is not dealing in shares, securities, debentures and other investments and therefore clause (xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The Company has not obtained any term loans during the year and therefore clause (xvi) of the Order is not applicable to the Company.
17. According to the Cash Flow Statement and other records examined and the information and explanation given to us, on overall basis, funds raised on short term basis have prima facie, not been used during the year for long term investment and vice versa.
18. During the year, the Company has not made any preferential allotment of shares to parties covered in the register maintained under Section 301 of the Act.
19. During the year, the Company has neither issued any debentures nor does it have any outstanding secured debentures.



## **MIDEAST PORTFOLIO MANAGEMENT LIMITED**

20. During the year, the Company has not raised money through public issue.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

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

**Place : Mumbai  
Date : 12<sup>th</sup> August, 2011**

**C .M. SHAH  
Partner  
M.No : 47178**

### **Compliance Certificate on Corporate Governance**

To,  
The Members of  
**Mid east Portfolio Management Limited**

We have examined the Compliance of Corporate Governance by Mideast Portfolio Management Limited for the year ended 31<sup>st</sup> March, 2011 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We state that generally no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Company.

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

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

**Place : Mumbai  
Date : 12<sup>th</sup> August, 2011**

**C .M. SHAH  
Partner  
M.No : 47178**



**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](http://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	-	1
Mr. Vincent Mascarenhas	Director	Non Executive & Independent	-	-	-
Mr. Dilip S. Shah	Director	Non Executive	-	-	2
Mr. Harish Kotian	Director	Non Executive & Independent	1	2	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:

5 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	19 <sup>th</sup> AGM held on 30 <sup>th</sup> Sept, 2010 Attended	Remarks
Mr. Kishor A. Shah	5	Yes	
Mrs. Jyoti K. Shah	5	Yes	
Mr. Vincent Mascarenhas	Nil	No	
Mr. Dilip S. Shah	5	Yes	
Mr. Harish Kotian	5	Yes	
Mr. T. R. Ramanathan	-	No	
Mr. Urvis 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

30<sup>st</sup> April 2010, 31<sup>st</sup> July 2010, 12<sup>th</sup> August 2010, 31<sup>st</sup> October 2010, 31<sup>st</sup> January 2011.

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;
- 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;





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- 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 2010-2011	Remarks
1	Mr Harish Kotian	Chairman	5	
2	Mr. Urvish Shah	Member	5	
3	Mrs. Dilip 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 2010 -2011	Remarks
1	Mr. Urvish Shah	Chairman	1	
2	Mr. Harish Kotian	Member	1	
3	Mr. Dilip 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.

#### 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.



## MIDEAST PORTFOLIO MANAGEMENT LIMITED

### Remuneration to Directors:

The details of the remuneration paid to the executive Directors are:

Name	Salary (Rs.)	Commission paid in 2010-2011	Perquisites (Rs.)	Retirement Benefit (Rs.)	Total (Rs.)
Mr. Kishor A. Shah	2,10,000/-	Nil	Nil	Nil	2,10,000/-

### 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. Harish Kotian	Chairman	Non-Executive & Independent
2	Mrs. Jyoti K. Shah	Member	Non-Executive
3	Mr. Urvish Shah	Member	Non-Executive & Independent

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

### General Body Meetings

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

Financial Year ended	Day & Date	Time	Venue
17 <sup>th</sup> AGM	26 <sup>th</sup> December, 2008	10.00 A.M.	Registered Office
18 <sup>th</sup> AGM	30 <sup>th</sup> December, 2009	10.00 A.M.	Registered Office
19 <sup>th</sup> AGM	30 <sup>th</sup> September, 2010	10.00 A.M.	Registered 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.

### 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 : 30.09.2011

Time : 9.30 A.M

Venue : Star House, 2<sup>nd</sup> Floor, Amberwaid, Opp. Apollo Complex, Andheri (E),  
Mumbai – 400 069.



## MIDEAST PORTFOLIO MANAGEMENT LIMITED

### ii) Financial Calendar

#### Financial reporting for

Quarter ending June 30, 2011	: End of July, 2011
Quarter ending Sept.30, 2011	: End of October, 2011
Quarter ending Dec.31, 2011	: End of January, 2012
Quarter ending March 31, 2012	: End of April, 2012.

Annual General Meeting for the  
Year ended March 31, 2012 : End of September, 2012

iii) **Dates of Book Closure** : 28.09.2011 to 30.09.2011 (both days inclusive)

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

v) **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 2010-2011	Bombay Stock Exchange	
	Month's High Price	Month's Low Price
April, 2010	3.26	2.43
May, 2010	4.11	3.11
June, 2011	4.96	2.88
July, 2011	3.18	2.40
August, 2010	4.63	2.35
September, 2010	10.22	4.88
October, 2010	8.50	5.61
November, 2010	8.96	7.03
December, 2010	9.42	5.68
January, 2011	8.81	7.14
February, 2011	7.86	5.02
March, 2011	5.26	3.62

### viii) Registrar and Share Transfer Agent :

Adroit Corporate Services Pvt. Ltd.  
19, Jaferbhoy Industrial Estate,  
1<sup>st</sup> 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



## MIDEAST PORTFOLIO MANAGEMENT LIMITED

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 31.03.2011):**

		For the Year 2010 – 2011			
		No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto	500	1940	71.61	457560	15.25
501 -	1000	454	16.76	408940	13.63
1001 -	2000	187	6.90	309623	10.32
2001 -	3000	59	2.18	152502	5.08
3001 -	4000	15	0.55	52860	1.76
4001 -	5000	16	0.59	74312	2.48
5001 -	10000	21	0.78	161004	5.37
10001 -	999999	17	0.63	1383199	46.11
<b>TOTAL</b>		<b>2709</b>	<b>100.00</b>	<b>3000000</b>	<b>100.00</b>

**(b) Categories of Shareholders (as on 31.03.2011)**

For the period 2010 – 2011

	Categories	No. of Shares held	% of Shareholders
<b>A</b>	<b>Promoter's holding</b>		
a.	Promoters		
	Indian Promoters	1093300	36.44
	Foreign Promoters	-----	-----
b.	Person acting in concert	-----	-----
	Sub-total	1093300	36.44
<b>B</b>			
<b>1</b>	<b>Institutional Investors</b>		
a	Mutual Funds and UTI	-----	-----
b	Banking, financial institutions/ Insurance Companies	-----	-----
c	FII's	-----	-----
d	Others	-----	-----
<b>2</b>	<b>Non- Institutions</b>		
a	Bodies Corporate	56893	1.90
b	Indian Public	1420974	47.37
c	NRI	426433	14.21
d	Any other	-----	-----
	Directors	2400	0.08
	Sub- total	1906700	63.56
	<b>Grand Total</b>	<b>3000000</b>	<b>100.00</b>



## *MIDEAST PORTFOLIO MANAGEMENT LIMITED*

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

Over 35.21% of the shares have been dematerialized up to 31<sup>st</sup> March, 2011. There are 587 and 231 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 facilitates liquidity.

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



## MIDEAST PORTFOLIO MANAGEMENT LIMITED



### MIDEAST PORTFOLIO MANAGEMENT LIMITED BALANCE SHEET AS ON 31ST MARCH 2011

PARTICULARS	SCHED.	AS AT 31ST MARCH 2011		AS AT 31ST MARCH 2010	
		(RS.)	(RS.)	(RS.)	(RS.)
<b>SHAREHOLDERS FUNDS :-</b>					
(a) Share Capital	A	49,573,050		49,573,050	
(b) Reserves and Surplus	B	520,000	50,093,050	520,000	50,093,050
<b>LOAN FUNDS :-</b>					
Secured Loans	C		5,557,916		5,916,129
<b>TOTAL</b>			<b>55,650,966</b>		<b>56,009,179</b>
<b>APPLICATION OF FUNDS :-</b>					
<b>FIXED ASSETS :-</b>					
(a) Gross Block	D	18,228,876		18,228,876	
(b) Less Depreciation		13,261,293		12,642,457	
(c) Net Block			4,967,583		5,586,419
<b>INVESTMENTS :-</b>	E		11,721,250		11,721,250
<b>CURRENT ASSETS, LOANS AND ADVANCES :-</b>					
(a) Sundry Debtors	F	3,438,786		5,283,339	
(b) Cash and Bank Balance	G	934,233		1,032,165	
(c) Loans and Advances	H	17,748,027		18,188,040	
		22,121,046		24,503,544	
<b>Less :-</b>					
<b>CURRENT LIABILITIES AND PROVISIONS :-</b>					
(a) Liabilities	I	2,045,209		1,941,679	
		2,045,209		1,941,679	
<b>NET CURRENT ASSETS</b>			20,075,837		22,561,865
<b>PROFIT &amp; LOSS ACCOUNT</b>			18,886,296		16,139,645
<b>TOTAL</b>			<b>55,650,966</b>		<b>56,009,179</b>
<b>ACCOUNTING POLICIES AND NOTES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT.</b>					
	K				

The schedules (A to K) form an integral part of the Balance Sheet and Profit and Loss Account.

As per attached report of even date

**FOR MEHTA CHOKSHI & SHAH**  
CHARTERED ACCOUNTANTS

For and on behalf of Board of Director of  
**MIDEAST PORTFOLIO MANAGEMENT LIMITED**

**C.M.SHAH**  
PARTNER

**KISHOR A. SHAH**  
CHAIRMAN & MANAGING  
DIRECTOR

**JYOTI K. SHAH**  
DIRECTOR

PLACE : MUMBAI  
DATE : 12th August, 2011

PLACE : MUMBAI  
DATE : 12th August, 2011



## MIDEAST PORTFOLIO MANAGEMENT LIMITED



### MIDEAST PORTFOLIO MANAGEMENT LIMITED

#### PROFIT AND LOSS ACCOUNT AS ON 31ST MARCH 2011

PARTICULARS	SCHED.	AS AT 31ST MARCH 2011		AS AT 31ST MARCH 2010	
		(RS.)	(RS.)	(RS.)	(RS.)
<b>INCOME :-</b>					
Sale of Electricity		910,158		799,679	
Management Fees		118,108		123,247	
New Issue Commission		2,952		-	
Dividend		2,060		650	
Service charges		539,717		451,575	
Other Income		125	1,573,120	2,120	1,377,271
<b>EXPENDITURE :-</b>					
Administrative and other expenses	J	2,965,862		1,903,543	
Financial charges		735,072		648,612	
Depreciation		618,836	4,319,770	464,127	3,016,282
LOSS BEFORE TAXATION			(2,746,650)		(1,639,011)
PROVISION FOR FINGE BENEFIT TAX			-		-
EXCESS/ (SHORT) PROVISION FOR INCOME TAX			-		(60,441)
PROFIT/(LOSS) AFTER TAXATION			(2,746,650)		(1,699,452)
BALANCE OF EARLIER YEAR BROUGHT			(16,139,646)		(14,440,194)
BALANCE CARRIED FORWARD TO BALANCE SHEET			<b>(18,886,296)</b>		<b>(16,139,646)</b>
Basic & Diluted earnings per share			(0.93)		(0.55)
Numerator Net Profit for the year, after taxation			(2,746,650)		(1,699,452)
Denominator (Weighted average number of Equity shares outstanding)			3,000,000		3,000,000
ACCOUNTING POLICIES AND NOTES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT.	K				

The schedules (A to K) form an integral part of the Balance Sheet and Profit and Loss Account.

As per attached report of even date

**FOR MEHTA CHOKSHI & SHAH  
CHARTERED ACCOUNTANTS**

For and on behalf of Board of Director of  
**MIDEAST PORTFOLIO MANAGEMENT LIMITED**

**C.M.SHAH  
PARTNER**

**KISHOR A. SHAH  
CHAIRMAN & MANAGING  
DIRECTOR**

**JYOTI K. SHAH  
DIRECTOR**

PLACE : MUMBAI  
DATE : 12th August, 2011

PLACE : MUMBAI  
DATE : 12th August, 2011



## MIDEAST PORTFOLIO MANAGEMENT LIMITED

<b>MIDEAST PORTFOLIO MANAGEMENT LIMITED</b> SCHEDULES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2011				
	AS AT 31ST MARCH 2011		AS AT 31ST MARCH 2010	
	(RS.)	(RS.)	(RS.)	(RS.)
<b>SCHEDULE A :-</b>				
<b>Authorised :</b>				
8,000,000 Equity Shares of Rs.10/- each		80,000,000		80,000,000
200,000 Preference Shares of Rs.100/- each		20,000,000		20,000,000
		<b>100,000,000</b>		<b>100,000,000</b>
<b>Issued Subscribed and Paid up:</b>				
3,000,000 Equity Shares of Rs.10/- each fully paid up	30,000,000		30,000,000	
Less : Allotment Money Due	51,750		51,750	
Call Money Due	375,200	29,573,050	375,200	29,573,050
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) (Please refer to Note No.2)		20,000,000		20,000,000
<b>TOTAL</b>		<b>49,573,050</b>		<b>49,573,050</b>
<b>SCHEDULE B :-</b>				
<b>RESERVES &amp; SURPLUS :</b>				
General reserve		520,000		520,000
<b>TOTAL</b>		<b>520,000</b>		<b>520,000</b>
<b>SCHEDULE C :-</b>				
<b>SECURED LOANS :</b>				
Term Loan from Bank (Secured against Office Premises of Sister concern and personal guarantee of Director including Managing Director)		3,557,916		4,087,929
Intercorporate Loan (Secured by Mortgage of Title Deed of the immovable properties of the Company situated at Varapatti, Palladam Taluka, Coimbatore, Tamil Nadu being land and wind mill thereon and all realisation from sale of power generated from the said windmill)		2,000,000		1,828,200
		<b>5,557,916</b>		<b>5,916,129</b>





## MIDEAST PORTFOLIO MANAGEMENT LIMITED



### MIDEAST PORTFOLIO MANAGEMENT LIMITED

SCHEDULE D. :-

**FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	COST AS ON 01.04.10	ADDITION DURING THE YEAR	DELETION	COST AS ON 31.03.11	AS ON ON 01.04.10	FOR THE YEAR PROVIDED	WRITTEN BACK DURING THE YEAR	AS ON ON 31.03.11	AS ON 31.03.11	AS ON 31.03.10
ASSETS FOR OWN USE										
LAND	2,223,592	--	--	2,223,592	--	--	--	--	2,223,592	2,223,592
PLANT & MACHINERY (WIND MILL)	10,767,056	--	--	10,767,056	7,770,929	568,500	--	8,339,429	2,427,627	2,996,127
COMPUTERS	2,902,634	--	--	2,902,634	2,841,051	--	--	2,841,051	61,583	61,583
FURNITURE & FITTINGS	1,275,926	--	--	1,275,926	1,275,925	-	--	1,275,925	1	1
OFFICE EQUIPEMENT	1,059,668	--	--	1,059,668	754,552	50,336	--	804,888	254,780	305,116
MOTOR CAR	--	--	--	--	--	--	--	--	--	-
<b>TOTAL</b>	<b>18,228,876</b>	<b>-</b>	<b>-</b>	<b>18,228,876</b>	<b>12,642,457</b>	<b>618,836</b>	<b>-</b>	<b>13,261,293</b>	<b>4,967,583</b>	<b>5,586,419</b>
PREVIOUS YEAR (Rs.)	18,228,876	-	-	18,228,876	12,178,330	464,127	-	12,642,457	5,586,419	6,050,546



## MIDEAST PORTFOLIO MANAGEMENT LIMITED

<b>MIDEAST PORTFOLIO MANAGEMENT LIMITED</b>		AS AT 31ST MARCH 2011		AS AT 31ST MARCH 2010	
		(RS.)	(RS.)	(RS.)	(RS.)
<b>SCHEDULE E :-</b>					
<b>INVESTMENT (AT COST) (NON TRADE)</b>					
<b>UNQUOTED EQUITY SHARES/UNITS/DEBENTURES :</b>					
I. Equity Shares/Units :	Face Value				
(a) 700 Shares of Mukerian Papers Ltd Product India Ltd	70		49,000		49,000
(b) 8,42,320 Shares of Montage Securities Ltd.	10		8,423,200		8,423,200
(c) 1,43,000 Shares of Ashik Woollen Ltd.	10		3,150,000		3,150,000
(d) 9,805 Shares of Janakalyan Sahakari Bank Ltd	10		98,050		98,050
	( I )		<u>11,720,250</u>		<u>11,720,250</u>
<b>Government Securities :</b>					
10% N.S.C. VIII Issue			1,000		1,000
	( II )		<u>1,000</u>		<u>1,000</u>
<b>TOTAL</b>			<u><b>11,721,250</b></u>		<u><b>11,721,250</b></u>
NOTE : All the above mentioned Shares are fully paid-up					
<b>SCHEDULE F :-</b>					
<b>SUNDRY DEBTORS (UNSECURED) :</b>					
Considered Good Exceeding Six months					
			2,011,320		5,072,417
Others					
			1,427,466		210,922
<b>TOTAL</b>			<u><b>3,438,786</b></u>		<u><b>5,283,339</b></u>
<b>SCHEDULE G :-</b>					
<b>CASH AND BANK BALANCES :</b>					
Cash on hand					
			908,440		837,939
Bank Balances with Scheduled Banks					
i) In Current accounts		15,793		184,225	
ii) In Deposit accounts		10,000	25,793	10,000	194,225
<b>TOTAL</b>			<u><b>934,233</b></u>		<u><b>1,032,164</b></u>



## MIDEAST PORTFOLIO MANAGEMENT LIMITED

<b>MIDEAST PORTFOLIO MANAGEMENT LIMITED</b>				
	AS AT 31ST MARCH 2011		AS AT 31ST MARCH 2010	
	(RS.)	(RS.)	(RS.)	(RS.)
<b>SCHEDULE H :-</b>				
<b>LOANS AND ADVANCES :</b>				
(Unsecured considered good)				
<b>LOANS :</b>				
To Companies in which Director are interested (Maximum outstanding during the year Rs.11,500,000/- (Previous year Rs. 11,774,000/-)		11,500,000		11,774,000
<b>ADVANCES :</b>				
Advances recoverable in cash or in kind or for value to be received		848,704		1,033,573
Advance to staff		20,372		20,372
Security deposits		530,000		530,000
Taxes paid		4,848,951		4,830,094
<b>TOTAL</b>		<b>17,748,027</b>		<b>18,188,039</b>
<b>SCHEDULE I :-</b>				
<b>LIABILITIES :</b>				
Sundry Creditors		1,526,410		111,410
Other Liabilities		518,799		1,830,269
<b>TOTAL</b>		<b>2,045,209</b>		<b>1,941,679</b>
<b>SCHEDULE J :-</b>				
<b>ADMINISTRATIVE AND OTHER EXPENSES:</b>				
Salaries and other allowances		1,739,551		1,084,713
Printing, Stationery & Xerox Charges		1,594		1,732
Postage, Telephone & Fax		1,812		4,841
Office Rent & Maintenance charges		622,944		320,925
Advertisement & Publicity		24,847		18,624
Director's Remuneration		210,000		157,500
Auditors Remuneration		16,545		16,545
Payment to Auditors		17,235		0
Local conveyance & Motor car exp		10,531		6,338
Professional & Consultancy charges		19,140		48,870
Computer Software & Maintenance Charges		10,933		16,462
Electricity Charges		0		7,368
Insurance		47,255		41,069
Listing Fees		11,030		213
Membership, subscription & periodicals		166,668		0
Service Tax		591		125,001
Miscellaneous Expenses		65,187		53,342
<b>TOTAL</b>		<b>2,965,862</b>		<b>1,903,543</b>



**SCHEDULE K :-**

**I) ACCOUNTING POLICIES AND NOTES TO ACCOUNTS SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PREPARATION OF FINANCIAL STATEMENT**

The financial statements 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.

**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.

**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.

**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.

**INVESTMENTS**

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

**REVENUE RECOGNITION**

Profit or losses from investment are recognized on trade dates generally following the “first in first out” basis.

**RETIREMENT BENEFIT**

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

**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.

**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.



**II) NOTES TO ACCOUNTS**

**1) Contingent Liability :-**

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/-

- 2) a.** The 2,00,000, 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.

**b.** The company has not provided for arrears of fixed cumulative dividend payable on 11% Cumulative, Preference Shares of Rs.2.00 Crores since its allotment on 31.03.1998. Total arrears of dividend Rs.2,91,50,000/- (Previous Year Rs.2,69,50,000/-)

**3) Managerial Remuneration :**

	2010-2011	2009-2010
	Rs.	Rs.
Directors Remuneration	2,10,000	1,57,000
Perquisites	NIL	NIL
<b>TOTAL</b>	<b>2,10,000</b>	<b>1,57,000</b>

**4) Payment to Auditors :-**

	2010-2011	2009-2010
	Rs.	Rs.
Audit Fees	16,545	16,545
In other capacity	17,235	NIL
<b>TOTAL</b>	<b>33,780</b>	<b>16,545</b>

**5) Taxes on Income :-**

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

**6) Related Party Disclosures:-**

- A) The names of the related parties are as under :**
- a) Supra Pacific Management Consultancy Limited
  - b) Mideast Energy Limited
  - c) Mideast Properties Pvt Limited
  - d) Mideast Retail Pvt Limited
  - e) M/s. Kishor A. Shah
  - f) Molem Investments and Finance Pvt Limited
  - g) Mideast Healthcare Pvt Limited
  - h) Mideast Windfarms Pvt Limited



## **MIDEAST PORTFOLIO MANAGEMENT LIMITED**

**B) Key Management Personnel :-**

- a) Kishor A. Shah -- Chairman cum Managing Director
- b) Jyoti K. Shah -- Director

**C) Details of Transactions :-**

NATURE OF TRANSACTIONS	WITH ASSOCIATES	WITH KEY MANAGEMENT PERSONEL
NET ADVANCES AND DEPOSITS PAID DURING THE YEAR	2,74,000/-	23,52,300/-
CLOSING BALANCE RECEIVABLE	1,15,00,000/-	5,91,700/-
CLOSING BALANCE RECEIVABLE FOR LAST YEAR	(1,17,74,000/-)	(29,44,000/-)

- D)** Related parties have been identified by the Management and relied upon by the auditors.

**7) Segment Reporting:-**

**A) 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)

SEGMENT REVENUE	FINANCIAL SERVICES	OTHERS	TOTAL
Total Segment Revenues	6,62,962	9,10,158	15,73,120
Segment Results	(29,93,656)	2,47,006	(27,46,650)
Segment Assets	3,54,46,973	33,51,296	3,20,95,677
Segment Liabilities	20,33,599	Nil	20,33,599
Capital Expenditure during the year	Nil	Nil	Nil
Depreciation/ Amortisation	50,336	5,68,500	6,18,836

**B) Secondary Segment Reporting**

The Company does not have a Secondary segment.

- 8)** 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.
- 9)** There are no dues outstanding to Micro, Small & Medium Enterprises. Sundry debtors and creditors are subject to confirmation.



## MIDEAST PORTFOLIO MANAGEMENT LIMITED

- 10) The Company has not provided for the diminution in the value of investments held. The loss to the extent of Rs. 1,17,21,250/- being the value of the investments will increase.
- 11) 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.
- 12) Additional information pursuant to the provision of paragraph 3, 4C of part II of Schedule of VI of the Companies Act 1956.

a) **Licensed and Installed capacity**

	2010-2011	2009-2010
Licensed Capacity	N.A	N.A
Installed Capacity	225 KW	225 KW

b) **Production, Purchase, Turnover & Stocks :**

	2010 – 2011		2009 – 2010	
	Electricity		Electricity	
	Units	Amount	Units	Amount
Opening Stock	Nil	Nil	Nil	Nil
Production	3,39,540	9,10,158	2,97,872	7,99,679
Turnover	3,39,540	9,10,158	2,97,872	7,99,679

- 13) Figures of the previous year are not comparable since the current period relate to nine months.
- 14) The amount in the Balance Sheet and Profit and loss Account are rounded off the nearest rupee.

Signature to Schedule A to K

As per our attached report of even date.

**FOR MEHTA CHOKSHI & SHAH  
CHARTERED ACCOUNTANTS**

**FOR & ON BEHALF OF THE  
BOARD OF DIRECTORS  
MID EAST PORTFOLIO MANAGEMENT LTD**

**(C.M.SHAH)  
PARTNER**

**KISHOR A.SHAH  
CHAIRMAN &  
MANAGING DI RECTOR**

**JYOTI K.SHAH  
DIRECTOR**

**Place : Mumbai  
Date : 12<sup>th</sup> August, 2011**

**Place : Mumbai  
Date : 12<sup>th</sup> August, 2011**



## MIDEAST PORTFOLIO MANAGEMENT LIMITED

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011</b>			
<b>AS PER THE CLAUSE 32 OF THE LISTING AGREEMENT</b>			
		<b>2010-2011</b>	<b>2009-2010</b>
		<b>Amount (Rs)</b>	<b>Amount (Rs)</b>
<b>A</b>	<b>Cash Flow From Operating Activities</b>		
	Net Profit /(Loss) Before Taxation & Extra Ordinary Item	(2,746,650)	(1,639,011)
	Adjustment For		
	Depreciation	618,836	464,127
	Loss on sale of sale of Investments	-	-
	Loss on sale of Motor Car	-	-
	Preliminary Exp. Written Off	-	-
	Interest Received	-	-
	Interest Paid	735,072	648,612
	Dividend Received	(2,060)	(650)
	Operating Profit Before Working Capital Changes	<b>(1,394,802)</b>	<b>(526,922)</b>
	Trade and Other Receivables	1,844,553	1,101,246
	Loans and Advances	440,013	(341,370)
	Stock In Trade	-	-
	Trade Payable	1,03,530	973,330
	Cash Generation From Operations	993,294	1,206,284
	Interest Paid	(735,072)	(648,612)
	Cash Flow Before Extraordinary Items	258,222	557,672
	Extraordinary Items (Direct Taxes Paid - Net)	-	(72,352)
	<b>Net Cash From Operating Activities</b>	<b>258,222</b>	<b>485,320</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase Of Fixed Assets	-	-
	Sale of Fixed Assets	-	-
	Purchase Of Investments	-	-
	adjustment on sale of Leased Asset	-	-
	Sale Of Investments	-	-
	Interest Received	-	-
	Dividend Received	2,060	650
	<b>Net Cash From Investing Activities</b>	<b>2,060</b>	<b>650</b>
<b>C</b>	<b>Cash Flow From Financial Activites</b>		
	Proceeds From Share Call Money	-	-
	Proceed From Borrowings	-	157,734
	Repayment Of Financial Liabilities	(358,213)	-
	<b>Net Cash Flow In Financing Activities</b>	<b>(358,213)</b>	<b>157,734</b>
	<b>Net Increase In Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(97,931)</b>	<b>643,704</b>
	<b>Opening Balance Of Cash &amp; Bank</b>	<b>1,032,165</b>	<b>388,460</b>
	<b>Closing Balance Of Cash &amp; Bank</b>	<b>934,233</b>	<b>1,032,165</b>
<b>FOR MEHTA CHOKSHI &amp; SHAH</b> <b>CHARTERED ACCOUNTANTS</b>		<b>For and on behalf of Board of Director</b> <b>MID EAST PORTFOLIO MANAGEMENT LIMITED</b>	
<b>C.M.SHAH</b> <b>PARTNER</b> <b>M. NO. : 47178</b>	<b>KISHOR A. SHAH</b> <b>CHAIRMAN &amp; MANAGING</b> <b>DIRECTOR</b>	<b>JYOTI K. SHAH</b> <b>DIRECTOR</b>	
<b>PLACE : MUMBAI</b> <b>DATED : 12<sup>th</sup> August, 2011</b>	<b>PLACE : MUMBAI</b> <b>DATED : 12<sup>th</sup> August, 2011</b>		





## 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	31.03.2011

#### 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	55,650,966
Total Assets	55,650,966

##### SOURCE OF FUNDS

Paid- up Capital	49,573,050
Reserve and Surplus	520,000
Secured Loans	5,557,916

##### APPLICATION OF FUNDS

Net Fixed Assets	4,967,583
Capital Work-in-progress	-----
Investments	11,721,250
Net Current Assets	20,075,837
Miscellaneous Expenditure	-----
Accumulated Losses	18,886,296

#### IV PERFORMANCE OF THE COMPANY (Amt in Rs.)

Turnover including other income	1,573,120
Total Expenditure	4,319,770
Profit/(Loss) Before Tax	(2,746,650)
Short Provision for Income Tax	-----
Profit/(Loss) After Tax	(2,746,650)
Earning per share	(0.93)
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\ 2283 2947**

**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 Star House, 2<sup>nd</sup> Floor, Ambewadi, Opp. Apollo Complex, Andheri (E), Mumbai- 400 069  
on Friday, the 30<sup>th</sup> September, 2011 at 9.30 a.m.

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

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/ 2283 2947**

**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 Friday, the 30<sup>th</sup>  
September, 2011 and at any adjournment thereof.

Regd. Folio No/DPID NO.

Number of Shares :

Signed this \_\_\_\_\_ Day of \_\_\_\_\_, 2011

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.