

MIDWEST GOLD LIMITED

(Formerly Nova Granites (India) Limited)

ANNUAL REPORT 2016-2017



27th Annual Report



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. P.K. TYAGI	- DIRECTOR
Mr. B S RAJU	- WHOLETIME DIRECTOR
Mr. P. HARINADHA BABU	- INDEPENDENT DIRECTOR
Mr. G.NITYANAND	- INDEPENDENT DIRECTOR
Mr. K.DEEPAK	- WHOLE TIME DIRECTOR
Mrs. K.NEELIMA	- WOMEN INDEPENDENT DIRECTOR
Mr. S. ANAND REDDY	- CHIEF FINANCIAL OFFICER (CFO)
Mr. MANISH TARACHAND PANDE	- COMPANY SECRETARY & COMPLIANCE OFFICER. (Appointed w.e.f 10.04.2017)

AUDITORS

: M/s. G.L. KOTHARI & CO.
Chartered Accountants
No. 23, Arihanth Complex, Third Floor,
A. M. Road, J. C. Road Cross,
Bangalore, Karnataka- 560 002
Phone: +91 93412 20928, 80222 36978,
80 416 08883, 80416 08884
E- Mail: glk@glkothari.com.

REGISTERED OFFICE

: 25-A, Attibele Industrial Area,
Attibele, Bangalore District
Karnataka-562 107.
Phone No.: 080 27820407, Fax: 27820207
Web Address : www.midwestgoldltd.com
E-Mail : novagranites1990@gmail.com

CORPORATE OFFICE

: 8-2-684/3/25&26, Road No.12,
Banjara Hills, Hyderabad,
Telangana- 500 034.
Phone No.: 040-23305194. Fax : 23305167



- INTERNAL AUDITOR** : Mr. I.VENKATESWARLU, M.Com, LL.M,
Add : 30-265/3/8/3,
Deendyal Nagar, Old Saphelguda,
Malkajgiri, Hyderabad-500056
Telangana, India.
- SECRETARIAL AUDITOR** : Mr.G.Shyam Krishna, LL.B, ACS,
Company Secretary In Whole Time Practice,
Add : 7-107/1, Shantinagar, Chandanagar,
Hyderabad-50, Telangana, India.
- REGISTRAR AND
SHARE TRANSFER AGENTS** : Bigshare Services Private Limited.,
306, 3rd Floor, Right Wing,
Amrutha Ville, Opp: Yashoda Hospital,
Rajbhawan Road, Somajiguda
Hyderabad – 500082.
Direct Desk:040-23374967/40144582
Web Address: www.bigshareonline.com
Email: bsshyd1@bigshareonline.com
bsshyd@bigshareonline.com
- LISTED AT** : Bombay Stock Exchange Limited
- CIN** : L13200KA1990PLC011396
- WEBSITE** : www.midwestgoldltd.com
- E-MAIL FOR INVESTOR
GRIEVANCES** : novagranites1990@gmail.com



NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of M/s. Midwest Gold Limited will be held on Saturday, the 30th Day of September, 2017 at 11.30 A.M at the Registered office of the Company at 25-A, Attibele Industrial Area, Attibele, Bangalore District, Karnataka-562107 to transact the following business(es):

AS ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Report of Directors and the Auditors thereon.
2. To appoint Director in the place of Mr. PRABHAT KUMAR TYAGI, DIN 02391274, who retires by rotation and being eligible offers himself for re-appointment.
3. **To appoint Statutory Auditors of the Company,;**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. B R N Murthy & Associates, Chartered Accountants, Bangalore (Firm Registration Number - 011309 S), be and is hereby appointed as Statutory Auditors of the Company in place of M/s. G.L. Kothari & Co., Chartered Accountants (Firm Registration No. 001445S) whose term is expired at the conclusion of the ensuing AGM under the retiring provisions of the Companies Act, , to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the Thirty Second AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

AS SPECIAL BUSINESS:-

4. **APPOINTMENT OF WHOLE TIME DIRECTOR :**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded to the appointment of Mr. Deepak Kukreti (DIN: 03146700) as Whole-time Director of the Company for a period of five years with effect from 28th October, 2016, subject to liable to retire by rotation, to look after the operations of the Company and with further liberty to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter the said terms and conditions of appointment



of Mr. Deepak Kukreti in the best interests of the Company and as may be permissible at law.

“RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

5. **Borrowing money(ies) for the purpose of business of the Company:**

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is Rs. 100 crores (Rupees One Hundred Crores Only) over and above the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

6. **Creation of security on the properties of the Company, both present and future, in favour of lenders:**

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 180 (l) (a) not to be subjected to sale, lease or otherwise dispose of the whole or substantially the whole of the undertaking and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with rules made there under, consent of the Company be and is hereby accorded to the Board of Directors of the Company and/ or Committee



thereof (hereinafter referred to as "the Board") to create mortgages and/or charges on all or any of the assets and properties, immovable and movable, both present and future, including the undertaking of the Company and including floating charge/ assignment or hypothecation on a pari passu basis or otherwise over the Company's book debt/s, receivables, actionable claims, outstanding loans and advances and other assets and properties of the Company and including mortgages or charges over the specific security as agreed upon between the Company and the concerned lenders, with interest thereon at the respective agreed rates, penal/ additional interest, liquidated damages, costs, charges, expenses and/or monies, if any, due thereon, monies on the aforesaid securities already borrowed or to be borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) over the aggregate of the Paid-up Capital and Free Reserves of the Company up to ` 100 Crores (Rupees Hundred Crores only) at any point of time."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to finalize and execute all such documents for creating the aforesaid mortgage and/or charge and on such terms and conditions as may be deemed fit, proper or appropriate in their absolute discretion and do all such acts, things and matters as may be necessary for giving effect to the foregoing Resolution"

7. **Investment in excess of limits specified under section 186 of Companies Act, 2013**

To consider and approve, the following resolution with or without modification, as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 186(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification thereof for the time being in force and as may be enacted from time to time), and in terms of Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose or any person(s) authorized by the Board) for making investment(s) in excess of limits specified under section 186 of Companies Act, 2013 from time to time in acquisition of securities of any body corporate entity whether in India or outside India, including in its related entities as may be considered appropriate for an amount not exceeding Rs.100 crore (Rupees Hundred Crore Only), notwithstanding that such investment and acquisition together with the Company's existing investments in all other bodies corporate, loans and guarantees given and securities provided shall be in excess of the limits prescribed under section 186(3), of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company be and is hereby authorized to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as they may in their absolute discretion deem fit to give effect to this resolution."

BY THE ORDER OF THE BOARD
MANISH TARACHAND PANDE
COMPANY SECRETARY &
COMPLIANCE OFFICER

Place : Hyderabad
Date : 14.08.2017



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. A person can act as a proxy on behalf of members not exceeding 50 (Fifty) and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorised representatives are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
5. The Register of Members and the Share Transfer Books will remain closed from 26th September, 2017 to 30th September, 2017 (both days inclusive).
6. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
7. Members are requested to quote their Registered Folio No on all correspondence with the Company.
8. Members are requested to send all communication relating to shares to the Company's Share Transfer Agents (Physical and Electronic) at Bigshare Services Private Limited., 306, 3rd Floor, Right Wing, Amrutha Ville, Opp: Yashoda Hospital, Rajbhawan Road, Somajiguda, Hyderabad - 500082.
9. The information pursuant to Regulation 26 of SEBI (LODR) Regulations, 2015 of the Listing Agreement with respect to the details of the Directors seeking appointment / re-appointment in this Annual General Meeting is annexed.
10. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Bigshare Services Pvt. Ltd. for assistance in this regard.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Bigshare Services Pvt Ltd., the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

13. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
14. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.midwestgoldltd.com (under 'Investors' section). Members holding shares in physical form may submit the same to Bigshare Services Pvt Ltd. Members holding shares in electronic form may submit the same to their respective depository participant.
15. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
16. The route map showing directions to reach the venue of the twenty-seventh AGM is annexed.
17. In view of the green initiatives taken by the Ministry of Corporate Affairs all the members of the Company are hereby requested to send their email IDs to novagrancies1990@gmail.com or info@midwestgoldltd.com or bsshdy1@bigshareonline.com or bsshdy@bigshareonline.com to send the annual reports and other information electronically. The notice of 27th AGM and Annual Report 2016-2017 will be available on the company's website www.midwestgoldltd.com.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Registrar.
19. **Voting Through Electronic (e-voting) :**

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of SEBI (LODR) Regulations 2015, Midwest Gold Limited ("the Company") is pleased to provide to the shareholders the facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-voting services provided by M/s. CDSL Limited.

The facility for voting through ballot paper/ polling paper will also be made available at the AGM and the members attending the AGM who have not already cast votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to AGM may attend the AGM but shall not be entitled to cast their vote again.

Further, the Board has appointed Mr. Prathap Satla Practicing Company Secretary, Hyderabad, having their office situated at H.No. 6-3- 1238/15/1, Flat No. 301, 3rd Floor, Elite Heights, Somajiguda, Hyderabad - 500082, Who in the opinion of

the Board is a duly qualified person, as a Scrutinizer to collate the electronic voting process in a fair and transparent manner.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 27th Day of September, 2017 at 9.00 A.M and ends on 29th Day of September, 2017 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

PAN	<p>For Members holding shares in Demat Form and Physical Form</p> <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)\	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).



- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Midwest Gold Limited> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non - Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.



- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- 20. The Board of directors of the company at their meeting held on 14th August, 2017 has appointed Mr. Prathap Satla, Practicing Company Secretary, as Scrutinizer for conducting the remote e-voting and poll in a fair transparent manner. The Scrutinizer’s decision on the validity of remote e-voting shall be final.
- 21. The voting rights for the shares are one vote per equity share, registered in the name of the shareholders / beneficial owners as on cut-off date of 23rd September, 2017. Members holding shares either in physical form or dematerialized form may cast their vote electronically. Members who do not cast their vote electronically, may only cast their vote at the Annual General Meeting.
- 22. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- 23. The result of voting will be announced by the Chairman of the AGM at or after the AGM to be held on 30th September, 2017 and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the Resolutions.
- 24. The result of the voting along with Scrutinizers’ Report will be communicated to the stock exchanges and will also be hosted on the website of the Company www.midwestgoldltd.com and on CDSL website (<https://www.evotingindia.com>) within two (2) days of passing of resolutions.

ADDITIONAL INFORMATION

Details of Directors seeking Appointment / Re-appointment at the Annual General Meeting

Particulars	Mr. P.K Tyagi	Mr. Deepak Kukreti (Whole Time Director)
Date of re -appointment (Retirement by rotation)- Appointment as Whole Time Director	30 th September 2017	28th October, 2016
Qualifications	Commerce Graduate	Holder of Masters Degree in Business Management from ISB, Hyderabad.
Expertise in specific functional Areas	Running of Granite Marble processing unit from the past 27 years	Running of Granite/ Marble processing/ Manufacturing of Diamond Tools for cutting of natural stone unit from the past 10years
Directorships held in other public companies (excluding foreign companies and section 8 companies)	Nil	Nil
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholder's Relationship Committee.)	Nil	Nil
Number of shares held in the company	Nil	Nil

BY THE ORDER OF THE BOARD
MANISH TARACHAND PANDE
COMPANY SECRETARY &
COMPLIANCE OFFICER

Place : Hyderabad
Date : 14.08.2017

Explanatory Statement

As required by Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying Notice :

ITEM NO: 4

The Board of Directors, at its meeting held on 28th October, 2016 appointed Mr. Deepak Kukreti (DIN: 03146700) as Whole Time Director of the Company effective from the same date, for a period of five years, subject to the approval of the Members. His appointment has been recommended by the Nomination and Remuneration Committee.

Mr. Deepak Kukreti was elevated to the role of Whole Time Director on 28th October, 2016. Prior to taking over the WTD's role, he served as the Director of the Company. He has held many key leadership positions in the Midwest Granite Group i.e the Parent Company's Group. He has been a part of the Group for the past 10 years and has in-depth knowledge on technology trends and Trading and Marketing of Marble and Granite. Mr. Deepak Kukreti holds Master's Degree in Business Management from ISB, Hyderabad.

The main terms and conditions of appointment of Mr. Deepak Kukreti (hereinafter referred to as “WTD”) are given below:

A. Tenure of Appointment:

The appointment as WTD is for a period of five years with effect from 28th October, 2016.

B. Nature of Duties:

The WTD shall devote his time and attention to the business of the Company and shall perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and direction of the Board in connection with and in the best interests of the business of the Company from time to time.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of appointment of the WTD as specified above are now being placed before the Members for approval. The Board commends the Resolutions at Item Nos. 4 for approval by the Members.

Except Mr. Deepak Kukreti, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, in the Resolutions set out at Item No. 4 of the Notice.

ITEM NO 5 & 6 :

The Board of Directors proposed to borrow money(ies) on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) and for creation of charge on moveable and immovable properties of the Company as security in favour of lending agencies for a sum not exceeding Rs. 100 crores (Rupees Hundred Crores Only), over and above the aggregate of the paid-up share capital and free reserves of the Company.

Keeping in view your Company's business requirements and growth plans, it is considered desirable to increase the said borrowing limits under the provisions of Section 180(1)(c) of the Companies Act, 2013 (the “Act”).



The borrowings by a Company, in general, are required to be secured by mortgage or charge on all or any of the moveable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board from time to time, in consultation with the lender(s).

Your consent is required under the provisions of Sections 180(1)(c) and 180(1)(a) of the Act, to increase the borrowing limits and to mortgage and / or create a charge on any of the moveable and / or immovable properties and / or the whole or any part of the undertaking(s) of your Company to secure its borrowings.

None of the Directors, Key Managerial Personnel and their relatives, are in any way, concerned or interested in the said resolutions.

The resolutions as set out in item nos. 5 and 6 of this Notice are accordingly recommended for your approval.

ITEM NO. 7

The Board of Directors proposed to make investments Securities in India or Outside India including in related entities and/or other Bodies Corporate which includes Treasury Bills, Call Money Market, Term Deposit, Mutual Funds and Short Term Rated Papers, Treasury Bills, Call Money market, Term Deposit, Mutual Funds and Short Term Rated Papers.

In order to make investment(s) in excess of limits specified under section 186 of Companies Act, 2013, the Company requires approval from the shareholders in a general meeting.

The Board recommends the Special Resolution set out at Item No.7 of the Notice for approval by the Members. None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the **TWENTY SEVENTH ANNUAL REPORT** together with the Audited Financial Statements of the company for the financial year ended 31st March, 2017.

1. FINANCIAL HIGHLIGHTS:

The performance of the company for the financial year ended 31st March 2017 is summarized below.

(Rupees In Lakhs)

PARTICULARS	2016-2017	2015-2016
Gross Revenue	262.24	411.04
Total Expenditure	394.35	493.06
Profit/ (Loss) before Financial Charges, Depreciation and Taxation	(132.12)	(82.02)
Less : Financial Charges	0.73	16.39
Depreciation	41.83	23.86
Profit/(Loss) before Tax (PBT)	(174.68)	(122.28)
Less/Add: Profit/ loss on sale / discard nation of Fixed Assets	0	0
Less : (Income Tax)	0	0.53
Add: Provision for Fringe Benefit Tax	0	0
Add: Provision for Deferred Tax Liability / (Asset)	12.86	(6.96)
Profit/(Loss) after Tax	(187.54)	(115.85)

2. STATEMENT OF COMPANY AFFAIRS:

Your Company has achieved a Turnover of Rs.262.24 Lacs when compared to Rs 411.04 lacs during the previous year. The operations of the Company resulted in loss of Rs.187.54 lacs when compared to loss of Rs.115.85 Lacs during the previous year.

3. FUTURE OUTLOOK:

The management has done well to ensure sustain operations. However, due to low income, high cost, and expenditure, the operations resulted in loss as specified above. Efforts are being made to improve the turnover and reduce the costs involved in the coming years and also for improving the overall business activities of the Company.

The Management is also looking to revive the loss in the ensuing financial year.

4. DIVIDEND:

Your Directors do not recommend any dividend for the financial year 2016-2017, in view of the operating loss in the current year and accumulated losses.

5. DEPOSITS:

The company has not accepted any deposits during the year. .

6. TRANSFER TO RESERVES:

During the year no amount was transferred to General Reserve.

7. CHANGE IN THE NATURE OF BUSINESS:

During the year there was no change in the nature of the business of the company.

8. DISCLOSURE UNDER SECTION 164(2) OF THE COMPANIES ACT, 2013

The company has received the disclosure in Form DIR-8 from its Directors being appointed or re- appointed and has noted that none of the Directors are disqualified under section 164(2) of the companies Act, 2013 read with Rule 14(1) of Companies Appointment and Qualification of Director Rules, 2014

9. SUBSIDIARY COMPANIES:

The Company does not have any subsidiary Companies as on 31st March, 2017. There are no Associate Companies within the meaning of Section 2(6) of the Companies Act, 2013. The question of material change of the business of the subsidiaries/Associates does not arise.

10. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

11. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

The Company has in place a business risk management framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy. Your Company follows well-established and detailed risk assessment and minimization procedures, which are periodically reviewed by the Board.

The Company has laid down a well-defined risk management mechanism covering risk mapping, risk exposure and risk mitigation process. The Company's Risk Management Policy has been developed to include various categories such as Human Resources, Financial, Business Processes and Systems, strategy, Corporate Governance and Compliance and Information Security.

A detailed exercise has been carried out to identify, evaluate, manage and monitor the risks which shall help the Company to take pro-active decisions and avoid all financial implications. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting.

Further, the Board ensures risk reporting and updates, risk policy compliances and provide overall guidance and support to business risk owners.

12. CORPORATE SOCIAL RESPONSIBILITY:

Since your Company does not have profits in accordance with provisions of the Companies Act, 2013 and Rules made there under, for the past three years hence did not implement corporate social responsibility policy.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company has not given any Loans, or Investments made under Section 186 of the Companies Act, 2013 to other Bodies Corporate or persons as referred thereto during the financial year. However it has enhanced guarantee to M/s HDFC Bank Ltd on behalf of M/s Midwest Granite Pvt. Ltd, its Holding Company for an amount of Rs. 40,50,00,000/- from Rs. 25,50,00,000/- which is well within the limits of prior approval of the Share Holders vide Special Resolution dated 07.03.2012 (Announcement Date of result of Postal ballot) duly passed, following the provisions of the erst while Companies Act, 1956 and relevant Rules made there under in the year 2015-2016.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

The transactions entered with related parties for the year under review were on arms length basis and in the ordinary course of business. Since the provisions of Section 188 of the Companies Act, 2013 are not attracted, the disclosure in Form AOC- 2 is not required. Further, there are no material related party transactions as applicable under the SEBI (LODR), Regulations, 2015 during the year under review with the Promoters, Directors or Key Managerial Personnel. However pursuant to Section 134(3)(h) & Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2 is enclosed as Annexure-1. Further the Audit Committee has reviewed the Related Party transactions in accordance with the applicable provisions.

15. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:

There were no qualifications, reservations or adverse remarks made either by the Auditors or by the Practicing Company Secretary in their respective reports.

16. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The Board has framed a Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178 (3) of the Companies Act, 2013 based on the recommendation of Nomination and Remuneration Committee. The details of this Policy is explained in the Corporate Governance Report.

17. DIRECTORS AND KEYMANAGERIAL PERSONNEL INFORMATION:

a). Reappointment of Retiring Director:

In accordance with the provisions of the Companies Act, 2013, Mr. P.K.TYAGI Director is retiring at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

b). Appointment of Whole Time Director

Mr. Deepak Kukreti , Director was appointed as Whole Time Director w.e.f 28th Day of October, 2016 to monitor and enhance the operations of the Company by your Board of Directors subject to your approval in the ensuing Annual General Meeting. Your directors recommended to approve his appointment as Whole Time Director for Five years from 28.10.2016.

18. DECLARATION OF INDEPENDENT DIRECTORS:

The Independent Directors submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules as per the applicable SEBI (LODR) Regulations, 2015.

19. EVALUATION OF THE BOARD'S PERFORMANCE:

In compliance with the requirements of Section 134(3) (p) of the Companies Act, 2013 and 17(10) of SEBI(LODR) Regulations, 2015, the performance of the Board was carried out during the year under review. The Board was evaluated for its performance based on the following factors:

- i. Attendance of Board Meetings and Committees;
- ii. Contribution made to the Board discussions and future planning;
- iii. Level of commitment to the stakeholders' interest;
- iv. Initiatives towards the growth of the business and profitability;
- v. Providing outlook, view points and feedback taking the Company ahead beyond expectations.

The evaluation involves Self-Evaluation by the Board Member and thereafter in the following manner:

- a) Individual Directors - The performance of the individual Directors' is evaluated by the Nomination and Remuneration Committee.
- b) Board and Committees - The Board evaluated its own performance and also of the Committees taking into consideration the above mentioned factors. A member of the Board does not participate in the discussion of his / her evaluation.

20. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors of your Company hereby report:

- (i) that in the preparation of Annual Accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any, there from;
- (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 at the end of the financial year and of the profit and loss of the company for that period;
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (iv) that the directors have prepared the annual accounts on a going concern basis.
- (v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required by section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given as **Annexure -2** and forms part of this report.

22. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

The Company has conducted **Five(5)** Board Meetings during the financial year . The Board Meetings were held in compliance with the provisions of the Companies Act, 2013. The various committee meetings are held in accordance with the applicable provisions of the Companies Act, 2013, relevant rules made there under and SEBI (LODR) Regulations, 2015. The details of the same are provided in the Corporate Governance Report.

23. STATUTORY AUDITORS:

M/s. G.L. Kothari & Co., Chartered Accountants, Bangalore , the Statutory Auditors of the Company hold the office till the conclusion of 27th Annual General Meeting of the Company pursuant to the retiring provisions of the Companies Act, 2013 and relevant Rules made there under. The Board has recommended the appointment of M/s. B R N Murthy and Associates, Chartered Accountants , Bangalore (Firm Registration Number - 011309 S), as Statutory Auditors of the Company in their place for the term of Five consecutive years from the conclusion of 27th AGM of the Company scheduled to be held in the year 2017 till the conclusion of 32nd AGM to be held in the year 2022 for the approval of share holders of the Company based on the recommendation of the Audit Committee.

Further the Company has received letter from the auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment.

24. AUDIT REPORT

The Notes to Accounts referred to in the Auditors Report are self explanatory and therefore do not call for any further comments.

25. INTERNAL AUDIT:

Your Company continuously invests in strengthening its internal control process and appointed Mr. I.Venkateswarlu, M.Com, LLM, who is having vast experience in the field

of accounts, finance, legal, costing etc as Internal Auditor of the Company, The Company has put in place an adequate system of internal control commensurate with its size and nature of business. These systems provided a reasonable assurance in respect of providing financial and operational information complying with applicable statutes safe guarding assets of the Company and ensuring compliance with Corporate Policies. Procedures to ensure conformance with policies, standards and delegation of authority have been put in place covering all activities. Audit Committee periodically reviews the performance of internal audit system.

The Company has rigorous business planning system to set the targets and parameters for operations which are reviewed with actual performance to ensure timely initiation of corrective action if required. The Audit Committee reviews adherence to the internal control system and internal audit reports. Further the Board actually reviews the effectiveness of the Company's internal control system.

26. SECRETARIAL AUDIT:

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has got the Secretarial Audit conducted from the Practicing Company Secretary.

A Secretarial Audit Report issued by Mr. G.Shyam Krishna, Company Secretary in Practice, in Form MR-3, in respect of the secretarial audit of the Company for the financial year ended 31st March 2017, is provided in **Annexure -3**.

27. COST AUDIT

The Company is not required to maintain cost records as per the Companies (Cost Records and Audit) Amendment Rules, 2014 as the turnover of the Company for the financial year 2016-2017 was below Rs. 35 Crores.

28. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return (MGT - 9) pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure-4 and is attached to this Report.

29. CORPORATE GOVERNANCE:

Pursuant to the Regulation 15(2) of SEBI (LODR) Regulations, 2015, the Regulations pertaining to the Corporate Governance i.e 17 to 27 & Clauses b to i of sub regulation 46(2) and para C, D & E of schedule V are not applicable to the Company since the net worth is less than 25 Crores and the paid up capital is less than 10 Crores as on the latest Audited Balance Sheet.

However the Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance of the SEBI(LODR) Regulations, 2015 to the extent applicable read with the provisions of the Companies Act, 2013 and relevant rules made there under . A separate report on Corporate Governance is annexed herewith, as a part of the Annual Report along with the Auditor's Certificate on its compliance.

30. PARTICULARS OF EMPLOYEES:

Comparison of the Remuneration of the KMP against the performance of the company. Further, the Company has no person in its employment drawing salary of Rs. 60 lacs per annum or Rs. 5 lacs per month as defined under the provisions of Section 197 of the

Companies Act, 2013, read with Rule 5(2) and 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

31. LISTING:

Your Company's shares are presently listed on the Stock Exchange of Bombay. The company is regular in payment of listing fee to BSE.

32. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS/REGULATORS.

During the year there were no significant and material orders passed by the Courts/Regulators.

33. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report, pursuant to Regulation 34 of the SEBI(LODR) Regulations, 2015 forms part of this Report and is annexed hereto.

34. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:

The Company has constituted an Audit Committee as required under Section 177 of the Companies Act, 2013 and has also established Vigil Mechanism for their employees and Directors to report their genuine concerns or grievances.

The details of the same are explained in the Corporate Governance Report. The Board has accepted all the recommendations of the Audit Committee during the year under review as and when brought to their notice.

35. ACKNOWLEDGEMENTS:

The Board of Directors would like to place on record its appreciation towards all the employees & the managerial personnel of the company for their contribution in the operations of the company during the year under review. The Directors would also like to record their sincere thanks to the Company's bankers, Central and State Government officials, customers, vendors and the shareholders for their continued support and co-operation.

BY THE ORDER OF THE BOARD

For **MIDWEST GOLD LIMITED**

K.Deepak

Whole Time Director
(DIN: 03146700)

B.S.Raju

Whole Time Director
(DIN: 01431440)

Place: Hyderabad

Date: 14.08.2017

ANNEXURE-1
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

The Company has not entered into any contract or arrangement or transactions with its related parties which is not arms length during the financial year 2016-2017.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts / arrangements/ transactions	Salient terms/ justification of the contracts or arrangements or transactions	The Value of the Contract/ arrangement (In Rs)	Amount paid as Advance (In Rs)/ Received
Midwest Granite Private Limited, Holding Company	Supply of Granite Blocks	Two years i.e from 01.04.2016 to 31.03.2018	Transactions are on arm's length basis in the ordinary course of business and as per the prices determined on invoice to invoice basis and on general terms in vogue	5,00,00,000 (During the year holding company made sales to the tune of Rs. 2,08,99,170/-	2,44,84,337
RDT Diamond Tools Private Limited, fellow subsidiary Company	Supply of Industrial Diamonds.	Two years i.e from 15.03.2016-14.03.2018	Transactions are on arm's length basis in the ordinary course of business and as per the general terms in vogue	5,00,00,000	1,00,00,000
Midwest Granite Pvt.Ltd, Holding Company	Rental Arrangement	01.04.2016 to 31.03.2017	Transactions are on arm's length basis in the ordinary course of business and as per the general terms in vogue	1,20,000	NIL

3. Date(s) of approval by the Board, if any: Not applicable. Since the agreements were entered into in the ordinary course of business and on arm's length basis. However the company has obtained necessary approvals from the Audit Committee, pursuant to the provisions of Companies Act and Rules, Regulations made there under.

BY THE ORDER OF THE BOARD
For **MIDWEST GOLD LIMITED**

K.Deepak

Whole Time Director
(DIN: 03146700)

B.S.Raju

Whole Time Director
(DIN: 01431440)

Place : Hyderabad
Date : 14.08.2017

ANNEXURE - 2

FORM - A

Information under Section 134 (1) (m) of the Companies Act, 2013 Read with Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY:

- i. The Operations of the Company require extensive use of power and the company is supplementing its power requirement by use of generators installed in the Factory.
- ii. The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy.
- iii. There is no impact of the measures at (i) and (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods.
- iv. Disclosure under Form A is not applicable to the Company.

B. TECHNOLOGY ABSORPTION:

FORM B

(Disclosure of particulars with respect to technology Absorption)

i) Research and Development (R & D):

Specific areas in which R & D carried out by the Company : NIL
 Benefits derived as a result of the above : NIL
 Future plan of action : NIL
 Expenditure on R & D : NIL

ii) Technology absorption, adaptation and innovation : NIL

C) FOREIGN EXCHANGE EARNINGS AND OUT GO:

Foreign Exchange earnings and outgo:

(On accrual basis)

Rs in Lacs

Particulars	2016-2017	2015-2016
Foreign Exchange Earnings	258.06	404.98
Foreign Exchange outgo	NILL	17.54

BY THE ORDER OF THE BOARD
For **MIDWEST GOLD LIMITED**

K.Deepak

Whole Time Director
(DIN: 03146700)

B.S.Raju

Whole Time Director
(DIN: 01431440)

Place : Hyderabad
Date : 14.08.2017

ANNEXURE - 3

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to section 204(1) of the companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Midwest Gold Limited,
Bangalore.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Midwest Gold Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon. Based on my verification of the **M/s. Midwest Gold Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by Midwest Gold Limited for the financial year ended on 31st March, 2017 according to the applicable provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under, as applicable;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and amendments thereto:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & 2015;



- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
- vi. Other laws applicable to the Company as per the representations made by the Management.

I have also examined compliance with the applicable Clauses/Regulations of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to Board and General Meetings,
- ii. The Listing Agreement entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Initially the shares were also listed in Bombay Stock Exchange.

During the period under review and as per the explanations and clarifications given to me and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings, as represented by the management, were taken unanimously. I further report that as per the explanations given to me and the representations made by the Management and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

G. Shyam Krishna

Company Secretary in Practice

Certificate of Practice No. 13041

M.No: A22569

Place: Hyderabad

Date: 14.08.2017

This Report is to be read with my letter of even date which is annexed as Annexure -A and forms an integral part of this report.



‘Annexure - A’

To,
The Members,
Midwest Gold Limited,
Bangalore.

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

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

Place: Hyderabad
Date: 14.08.2017

G. Shyam Krishna
Company Secretary in Practice
Certificate of Practice No. 13041
M.No: A22569

ANNEXURE - 4

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- | | |
|--|---|
| i) CIN | L13200KA1990PLC011396 |
| ii) Registration Date | 20th November, 1990 |
| iii) Name of the Company | MIDWEST GOLD LIMITED |
| iv) Category/Sub-Category of the Company | Company Limited by Shares |
| v) Address of the | |
| a) Registered Office and contact details | 25-A, Attibele Industrial Area, Attibele, Bangalore district, Karnataka-562 107.
Phone No.: 080 27820407, Fax: 27820207
Web Address: www.midwestgoldltd.com
E-mail-ID: novagranites1990@gmail.com |
| vi) Whether listed company | Yes |
| vii) Name, Address and Contact details of Registrar /Transfer Agent, | Bigshare Services Private Limited.,
306,3rd Floor, Right Wing, Amrutha Ville,
Opp: Yashoda Hospital,
Rajbhawan Road, Somajiguda
Hyderabad - 500082.
Direct Desk: 040-23374967
Web Address: www.bigshareonline.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. NO	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT/ SERVICE	% TO TOTAL TURN-OVER OF THE COMPANY
1	Mining and processing of Gold, Diamond and precious metals and stones	07295	Nil
2	Processing / Trading of Granite, Marbles and other natural stones	23960	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Midwest Granite Pvt Ltd Add: 8-2-684/3/25&26, Road No.12, Banjara Hills, Hyderabad,Telangana-500034.	U14102AP1981PTC003317	Holding Company	70.63	2(46)



IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
(a) Individuals/ Hindu Undivided Family	0	45850	45850	1.40	0	45850	45850	1.40	NIL
(b) Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	NIL
(c) Bodies Corporate	0	2309500	2309500	70.63	2309500	0	2309500	70.63	NIL
(d) Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	NIL
(e) Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	NIL
(e-i) Directors/Relatives	0	0	0	0.00	0	0	0	0.00	NIL
(e-ii) Group Companies	0	0	0	0.00	0	0	0	0.00	NIL
Sub Total(A)(1)	2309500	45850	2355350	72.03	2309500	45850	2355350	72.03	NIL
(2) Foreign									
(a) Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	NIL
(b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	NIL
(c) Institutions	0	0	0	0.00	0	0	0	0.00	NIL
(d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	NIL
(e) Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	NIL
Sub Total(A)(2)	0	0	0	0.00	0	0	0	0.00	NIL
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	2309500	45850	2355350	72.03	2309500	45850	2355350	72.03	NIL
(B) Public shareholding									
(1) Institutions									
(a) Mutual Funds/ UTI	0	4320	4320	0.13	0	4320	4320	0.13	NIL
(b) Financial Institutions / Banks	5490	0	5490	0.17	5490	0	5490	0.17	NIL
(c) Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	NIL
(d) Venture Capital Funds	0	10860	10860	0.33	0	10860	10860	0.33	NIL
(e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	NIL
(f) Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	NIL
(g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	NIL
(h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	NIL
(i) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	NIL
Sub-Total (B)(1)	5490	15180	20670	0.63	5490	15180	20670	0.63	NIL



ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholder's Name	Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	MIDWEST GRANITE PRIVATE LIMITED	2309500	70.63	-	MIDWEST GRANITE PRIVATE LIMITED	2309500	70.63	-	NA
2	JAIN PAWAN	33350	1.02	-	JAIN PAWAN K	33350	1.02	-	NA
3	JAIN DEEPAK K	12500	0.38	-	JAIN DEEPAK K	12500	0.38	-	NA

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

S N	Name of the Promoter	Share holding at the beginning of the year		Date	Reason	Increase/ Decrease in share holding		Cumulative share holding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Midwest Granite Private Limited	2309500	70.63		N.A			2309500	70.63
2	JAIN PAWAN	33350	1.02	-	N.A	N.A	-	33350	1.02
3	JAIN DEEPAK K	12500	0.38	-	N.A	N.A	-	12500	0.38



iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year:					
1	RAMA VARA PRASAD MEKA	150000	4.59	150000	4.59
2	A YADAGIRI	150000	4.59	150000	4.59
3	EURO GRANIT ENTERPRISE	39933	1.22	39933	1.22
4	GULLU ASSOMULL	37500	1.15	37500	1.15
5	PAMULAPATI DHANUNJAYA RAO	35000	1.07	35000	1.07
6	N VENKATA RAO	32750	1.00	32750	1.00
7	JAIN SANJAY K	32500	0.99	32500	0.99
8	CH RAMAKRISHNA	30960	0.95	30960	0.95
9	JAIN ANAND K	27070	0.83	27070	0.83
10	SHALVA POLYMERS PVT LTD	18260	0.55	18260	0.55
At the end of the year:					
1	RAMA VARA PRASAD MEKA	150000	4.59	150000	4.59
2	A YADAGIRI	150000	4.59	150000	4.59
3	KODE SIVA KRISHNA	58515	1.78	58515	1.78
4	EURO GRANIT ENTERPRISE	39933	1.22	39933	1.22
5	GULLU ASSOMULL	37500	1.15	37500	1.15
6	PAMULAPATI DHANUNJAYA RAO	35000	1.07	35000	1.07
7	N VENKATA RAO	32750	1.00	32750	1.00
8	JAIN SANJAY K	32500	0.99	32500	0.99
9	CH RAMAKRISHNA	30960	0.95	30960	0.95
10	JAIN ANAND K	27070	0.83	27070	0.83

v) Shareholding Pattern of Directors and Key Managerial Person(KMP):

SN	For Each of the Director and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil		Nil	
	At the end of the year	Nil		Nil	



V. INDEBTEDNESS - INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	12,11,13,754	NIL	12,11,13,754
ii) Interest due but not paid	NIL	NIL	NIL	
iii) Interest accrued but not due	NIL	NIL	NIL	
Total (i+ii+iii)	NIL	12,11,13,754	NIL	12,11,13,754
Change in Indebtedness during the financial year				
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	1,84,67,550	NIL	1,84,67,550
Net Change	NIL	1,84,67,550	NIL	1,84,67,550
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	13,95,81,304	NIL	13,95,81,304
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	13,95,81,304	NIL	13,95,81,304



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to managing director, whole-time directors and/or manager:

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

B. Remuneration to Other Directors

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

C. Remuneration to key managerial personnel other than MD/Manager/WTD

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2,14,559	6,54,063	8,68,622
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total		2,14,559	6,54,063	8,68,622



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW :

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by the Securities and Exchange Board of India (SEBI) and other statutory requirements. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions and reasonably present our state of affairs, profits and cash flows for the year.

INDUSTRY REVIEW

Recent global trends indicate that there is a rising demand relative to supply and increasing cost of mining leading to an increase in commodity prices. Replenishing mineral reserves has become more difficult due to declining ore grades and additional challenges such as inadequate infrastructure and human capital, critical to support the growth of the sector. The Governments worldwide are adopting progressive policy measures to boost mining and mineral exploration in their countries. The Indian Government, too, has initiated several measures like the new mining legislation and Sustainable Development Framework. The mining and mineral exploration industry keenly awaits the legislative and regulatory initiatives from the Government to promote private and foreign investment and introduction of internationally compatible mining policies.

RISKS AND CONCERNS:

The Company has applied for RP/PL for gold exploration which is highly speculative in nature and subject to several approvals and operational risks. These risks include exploration and mining risks, delays in approvals to undertake exploration activities, delays in grant of appropriate mineral concession licences, actual resources differing from estimates, operational delays and the availability of equipment, personnel and infrastructure.

The Company is also dependent on key personnel and subject to actions of third parties, including the staff, other contractors and suppliers.

The Company's operations are also subject to government laws and regulations, particularly environmental and land acquisition regulations.

The Company's future revenues from product sales will be affected by changes in the market price of gold other natural stones which is affected by numerous factors which are beyond its control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, rate of inflation, global or regional political events and international events as well as a range of other market forces.

In the absence of cash flow from operations, the Company may have to rely on capital markets / private equity investment to fund its operations. The Company's ability to raise further funds will depend on the success of existing operations.

All the above factors notwithstanding, your Company and its Directors believe that they have adequate experience and access to expertise and capital sources that will enable the Company to successfully develop, launch and execute its projects successfully.

OUT LOOK AND OPPORTUNITIES :

India has the right geological potential for discovery and development of new gold mines. With the untapped mineral potential in India, the contribution of the mining sector in the GDP should aspire to around 7-8% over 20 years. The mining sector needs to play a major role if India has to realize the potential growth of 9% per annum in the coming years.

To unlock the potential of the mineral sector, the Indian Government would need to rework the legislative framework for transparent, safe, scientific & sustainable mining and effective regulation. Concerted action is required to promote scientific exploration for expanding the mineral reserves in India to its full potential. India needs to ensure globally best, fair, transparent and efficient process for the mineral concession system that reduces permit delays to create a more favourable policy environment.

Despite all these shortcomings, the gold exploration and mining sector holds substantial potential to contribute to the growth of the economy and create value for all stakeholders, including the Central Government, State Government (s) and the community at large .

To sum up Midwest Gold Limited will implement the RP/PL of the gold mines if the government of India sanction the RP/PL in its favor with state of the art technology; a large pool of well trained geologists, geophysicists and mining engineers to generate a mineral-based economic development of enormous scale and value.

Apart from the above the company is doing trading of imported marble and exporting granite blocks produced out of local quarries to generate revenues to meet its day to day funds requirements. The company is trying to capture the domestic as well as international granite and marble markets to enhance its opportunities to achieve its objects.

RISK MANAGEMENT :

The Company has the mechanism to combat the risks of exposure to Business, Assets and Financial Risks in the form of competition, accidents, natural calamities, obsolescence, and fluctuations in foreign currency etc. The management of your company is on constant vigil to combat any eventuality that may pose threat to the company's business.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The philosophy we have with regard to internal control systems and their adequacy has been formulation of effective systems and their strict implementation to ensure that assets and interests of the Company are safeguarded; checks and balances are in place to determine the accuracy and reliability of accounting data. The Company has a well

defined organization structure with clear functional authority, limits for approval of all transactions. The Company has a strong reporting system, which evaluates and forewarns the management on issues related to compliance. Company updates its internal control system from time to time, enabling it to monitor employee adherence to internal procedures and external regulatory guidelines.

FINANCIAL PERFORMANCE & OUTLOOK:

Your Company achieved a Turnover of Rs.262.26 Lacs when compared to Rs 411.04 lacs during the previous year. The operations of the Company resulted in loss of Rs.187.56 lacs when compared to loss of Rs.115.85 lacs during the previous year after adjustment of deferred tax Liabilities/Asset.

The management has done well to ensure sustain operations. However, due to high cost and expenditure, the operations resulted into losses. Efforts are being made to reduce the costs involved. The Management is also looking to get profits in the ensuing financial year.

PERSONNEL:

Human wealth is the ultimate wealth for any industry. The Company recognizes this fact and understands that employees are one of the most important sources for sustained growth of any business. Quality personnel delivering their optimum potential for the organization is the key differentiator. The Company maintained good relations with its employees and there was no unrest in the Company at any point of time during the year.

CAUTIONARY STATEMENT :

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, natural calamities over which the Company does not have any direct control.

BY THE ORDER OF THE BOARD
For **MIDWEST GOLD LIMITED**

K.Deepak

Whole Time Director
(DIN: 03146700)

B.S.Raju

Whole Time Director
(DIN: 01431440)

Place: Hyderabad
Date : 14.08.2017

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate Governance is the set of processes, customs, policies, laws and institutions affecting the way a company is directed, administered or controlled. It is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers.

Corporate governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner.

Pursuant to the Regulation 15(2) of SEBI (LODR) Regulations, 2015, the Regulations pertaining to the Corporate Governance i.e 17 to 27 & Clauses b to i of sub regulation 46(2) and para C, D & E of schedule V are not applicable to the Company since the net worth is less than 25 Crores and the paid up capital is less than 10 Crores as on the latest Audited Balance Sheet.

However the Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance of the SEBI (LODR) Regulations, 2015 to the extent applicable read with the provisions of the Companies Act, 2013 and relevant rules made there under.

2. BOARD OF DIRECTORS

As on March 31, 2017, the Company has Six Directors. Of the Six Directors, four (i.e. 66.66%) are Non-Executive Directors and three (i.e. 50%) are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2017 have been made by the Directors. None of the Directors are related to each other.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

During the Financial year ended 31st March, 2017, Board of Directors met 5 (Five) times as mentioned below and gap between two Board meetings did not exceed 120 days:

30.05.2016	13.08.2016	03.09.2016
28.10.2016	13.02.2017	

The attendance at the Board Meetings conducted during the 12 months period ended 31st March, 2017 and at the Annual General Meeting as also the number of Directorships and committee memberships (other than Midwest Gold Limited) are given below:

Name of Director	Category	Designation	No. of Board Meetings Attended	Attendance at previous AGM	No. of Directorships held in other companies		No. of other Board/ Committee he/ She is a Member/ Chairman	
					Public	Private	Public	Private
K. Deepak	Executive	Whole Time Director*	5	Yes	--	3	--	--
P.K.Tyagi	Promoter & Non-Executive	Director	5	Yes	--	1	--	--
P. Harinadha Babu	Non-Executive, Independent	Director	4	Yes	--	--	--	--
B S Raju	Whole Time Director	Whole Time Director	5	Yes	1	1	--	--
G.Nityanad	Non-Executive, Independent	Director	5	Yes	--	2	--	--
K.Neelima	Women Independent Director	Director	5	No	--	--	--	--

* Mr. Deepak Kukreti was appointed as Whole Time Director w.e.f 28.10.2016

3. AUDIT COMMITTEE

The Committee purely consists of 3 independent and Non-Executive Directors, which provides assistance to the Board of Directors in fulfilling its oversight responsibilities. The Audit committee has been entrusted with the responsibilities as laid down under SEBI Listing Regulations, read with Section 177 of the Companies Act, 2013.

The terms of reference as per SEBI Listing Regulations are as follows:

- i. The audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.
- ii. The terms of reference of the audit committee are broadly as under:
 - ★ Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - ★ Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
 - ★ Approval of payment to statutory auditors for any other services rendered by the statutory Auditors.
 - ★ Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.

- Changes, if any, in accounting policies and practices and reasons for the same. Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- ★ Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - ★ Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - ★ Review and monitor the auditors' independence and performance, and effectiveness of audit process;
 - ★ Approval or any subsequent modification of transactions of the Company with related parties; Scrutiny of inter-corporate loans and investments;
 - ★ Examination of the financial statement and the auditors' report thereon;
 - ★ Valuation of undertakings or assets of the company, wherever it is necessary;
 - ★ Evaluation of internal financial controls and risk management systems;
 - ★ Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
 - ★ The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
 - ★ The audit committee shall review the information required as per SEBI Listing Regulations.
- iii. The audit committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- iv. In terms of the Insider Trading Code adopted by the Company in FY 2016-17, the Committee considers the following matters:
- To approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the Insider Trading Code.

- To note and take on record the status reports detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer on a quarterly basis.
- To provide directions on any penal action to be initiated, in case of any violation of the Regulations by any person.
- v. Mr. Manish Tarachand Pande, Company Secretary was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.
- vi. Quarterly Reports are sent to the members of the Committee on matters relating to the Insider Trading Code.
- vii. The previous Annual General Meeting (“AGM”) of the Company was held on 30th September 2016 and was attended by Mr. G. Nityanand , Chairman of the audit committee.

Composition:

The composition of the audit committee and the details of meetings attended by its members are given below :

Name	Designation	Category	No.of Meetings held during the financial year 2016-2017	
			Held	Attended
Mr G. Nityanand	Chairman	Independent Non Executive Director	4	4
Mr B.S.Raju	Member	Whole Time Director	4	4
Mrs. K. Neelima	Member	Independent Non Executive Director	4	4

Meetings during the year:

During the Financial year ended 31st March, 2017, the Audit Committee met 4 times as follows:

30.05.2016	13.08.2016	28.10.2016	13.02.2017
------------	------------	------------	------------

The Company continued to derive immense benefit from the deliberations of the Audit Committee. Mr G. Nityanand, who headed the Audit Committee as Chairman has rich experience and knowledge in Finance, and Accounts. The members always added value for the Company. Minutes of each Audit Committee are placed before the Board and discussed in the meeting.

4. NOMINATION & REMUNERATION COMMITTEE

Terms of Reference:

The terms of reference as per SEBI Listing Regulations is to determine and review the remuneration, performance, and related bonuses of Executive Director(s), if any.

Composition

During the year nomination & remuneration committee constituted with following directors:

Name	Designation	Category	No. of Meetings held during the financial year 2016-2017	
			Held	Attended
Mr B.S.Raju	Member	Whole Time Director	2	2
Mr G. Nityanand	Member	Independent Non Executive Director	2	2
Mrs. K. Neelima	Chairman	Independent Non Executive Director	2	2

Remuneration paid to Directors during the financial year 2016 - 2017:

Executive Directors: NIL

Non - Executive Directors: NIL

During the financial year 2016-2017 Two Nomination & Remuneration committee meetings were held on 03.09.2016 and 28.10.2016, wherein the committee has reviewed the policies pursuant to the section 178 of the Companies Act, 2013 and also reviewed the appointment of Whole Time Director.

Shareholding of Non-Executive Director:

None of the Non-Executive Independent Directors of the Company holds any shares in the Company.

5. STAKEHOLDER RELATIONSHIP COMMITTEE (SHAREHOLDERS / INVESTOR GRIEVANCE AND SHARE TRANSFER COMMITTEE):

Brief description of terms of reference:

The Committee focuses on shareholders' grievances and strengthening of investor relations. The committee looks after the services of the Registrars and share transfer agents and recommends measures for providing efficient services to investors.

The Committee specifically looks into investor complaints like Transfer/ transmission/ transposition of shares, non receipt of Annual Report, non - receipt of dividend, and other related issues.

Composition

The committee consists of the following directors:

Name	Designation	Category	No. of Meetings held during the financial year 2016-2017	
			Held	Attended
Mr G.Nityanand	Chairman	Independent Non Executive Director	2	2
Mr B.S Raju	Member	Whole Time Director	2	2
Mr K.Nilima	Member	Independent Non Executive Director	2	2

During the financial year 2016-2017 Two meetings were held on 30.05.2016 and 28.10.2016.

Mr. Manish Tarachand Pande, Company Secretary is the Compliance Officer of the Company for attending to Complaints / Grievances of the members. The address for correspondence is provided below:

Corp Off: Midwest Gold Ltd
8-2-684/3/25&26, Road No.12, Banjara Hills, Hyderabad,
Telangana- 500 034, Phone No.: 040-23305194, Fax: 23305167.

There are no outstanding complaints as on 31st March 2017.

Other committees:

i. Ethics and compliance committee:

In terms of the Code of Conduct of the company for prevention of insider trading and code of corporate disclosure practices ("Insider Trading Code") adopted by the Company, applicable to the directors, officers and other employees, the Company has an ethics and compliance committee of directors. The Committee considers matters relating to the Insider Trading Code and the Company's Code of Conduct ("COC").

The Company has also formulated an anti bribery and anti corruption policy and gifts policy which are monitored by the ethics and compliance committee. Monthly reports are sent to the members of the committee on matters relating to the Insider Trading Code and the COC. Two meetings of the ethics and compliance committee were held during the year.

The composition of the ethics and compliance committee and details of the meetings attended by its members are given below

Name	Designation	Category	No. of Meetings held during the financial year 2016-2017	
			Held	Attended
Mr G.Nityanand	Chairman	Independent Non Executive Director	2	2
Mr B.S Raju	Member	Whole Time Director	2	2
Mr K.Neelima	Member	Independent Non Executive Director	2	2

During the financial year 2016-2017 Two meetings were held on 13.08.2016 and 13.02.2017

ii. Risk Management committee:

The board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls.

The composition of the risk management committee and details of the meetings attended by its members are given below:

Name	Designation	Category	No.of Meetings held during the financial year 2016-2017	
			Held	Attended
Mr G.Nityanand	Chairman	Independent Non Executive Director	2	2
Mr B.S Raju	Member	Whole Time Director	2	2
Mrs K.Neelima	Member	Independent Non Executive Director	2	2

During the year, two meetings of the risk management committee were held on 30.05.2016 and 13.02.2017

6. MEETINGS OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings enable Independent Directors to discuss matters pertaining to the Company's affairs and matters mentioned in Schedule IV to the Companies Act, 2013. The Independent Directors take appropriate steps to present their views to the Chairman. Two meetings of Independent Directors were held during the year on 13.08.2016 and 13.02.2017. All the independent directors were present.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A Report of the Management Discussion and Analysis is attached as part of the Annual Report.

8. GENERAL BODY MEETINGS:

Venue and time where the last three AGMs held:

Year	AGM	Venue	Day & Date	Time
2014	24th	25-A, Attibele Industrial Area, Attibele, Bangalore district, Karnataka-562 107.	Monday, 29th September, 2014	11.00A.M
2015	25th	25-A, Attibele Industrial Area, Attibele, Bangalore district, Karnataka-562 107.	Tuesday, 29th September, 2015	11.30A.M
2016	26th	25-A, Attibele Industrial Area, Attibele, Bangalore district, Karnataka-562 107.	Friday,30th September,2016	11.30A.M

9. DISCLOSURES :

Related Party Transaction (Shown in Notes to Accounts)

There are no materially significant related party transactions i.e., transactions material in nature, with its Promoters, the directors or the management, their subsidiaries or relatives, etc. having potential conflict with the interests of Company at large.

10. PENALTIES FOR NON-COMPLIANCE:

There were no penalties and strictures imposed on the company by stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

11. C.E.O/C.F.O. CERTIFICATION

To
The Board of Directors
Midwest Gold Limited
(Formerly Nova Granites (India) Limited)

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

We, S. Anand Reddy, CFO and B.S. Raju, Whole Time Director of the Company to the best of our knowledge and belief, certify that:

- a. We, have reviewed the financial statements and the cash flow statement for the year 2016-17 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
- b. There are to the best of our knowledge and belief, no transactions entered into by the company during the year 2016-17 which are fraudulent, illegal or violative of the company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting.
- d. There are no deficiencies in the design or operation of internal controls.
- e. We have disclosed to the Company's Statutory Auditors and to the Audit Committee of the board that:
 - There were no significant changes in internal control over financial reporting during the year under review.
 - There were no significant changes in accounting policies during the year.
 - There were no Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

S. Anand Reddy
Chief Financial Officer

B.S Raju
Whole Time Director
DIN : 01431440

Place: Hyderabad
Date: 14.08.2017

12. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting

Annual General Meeting

Day, Date and time	: Saturday, 30th Day of September, 2017 at 11.30 A.M
Venue	: 25-A, Attibele Industrial Area Attibele, Bangalore district, Karnataka-562 107
Book Closure Date	: 26.09.2017 to 30.09.2017 (Both days inclusive)
Dividend	: No dividend is recommended for the year.
Listing on Stock Exchanges	: The shares of the company listed on Bombay Stock Exchange Limited
Stock Code	: BSE - 526570
ISIN	: INE519N01014
Registrars and Transfer Agents	: Share Transfers & Communication regarding Share Certificates, Dividends & Change of Address may be sent to : Bigshare Services Private Limited 306, Right wing, Amrutha Ville Opp. Yashoda Hospital, Somajiguda Rajbhawan Road, Hyderabad-500082 Tel- 91-40-2337 4967 Fax- 91-40-2337-0295 Email:bsshyd@bigshareonline.com Website:bigshareonline.com

13. SHARE TRANSFER SYSTEM:

The R & T Agent process the Physical Share Transfers and the Share Certificates are returned to the shareholder within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

14. ISSUE OF EQUITY SHARES : Nil

15. STOCK/MARKET PRICE DATA :

The monthly high / low prices of shares of the Company from April, 2016 to March, 2017 at BSE Limited is given below :

Month	High (Rs.)	Low (Rs.)
April, 2016	11.00	11.00
May, 2016	NIL	NIL
June, 2016	NIL	NIL
July, 2016	NIL	NIL
August, 2016	11.55	11.55
September, 2016	11.55	11.55
October, 2016	11.55	11.00
November, 2016	NIL	NIL
December, 2016	NIL	NIL
January, 2017	11.55	11.55
February, 2017	NIL	NIL
March, 2017	12.12	12.12

16. DISTRIBUTION OF HOLDINGS AS ON 31.03.2017

Shares or Debenture holding of shares Nos.	Share/ Debenture Holders		Share/ Debenture Amount	
	Number	% to Total	In Nos.	% to Total
(1)	(2)	(3)	(4)	(5)
Upto - 500	6756	99.0906	142039	4.3437
501 - 1,000	20	0.2933	15408	0.4712
1,001 - 2,000	12	0.1760	17680	0.5407
2,001 - 3,000	2	0.0293	5400	0.1651
3,001 - 4,000	3	0.0440	10464	0.3200
4,001 - 5,000	1	0.0147	5000	0.1529
5,001 - 10,000	5	0.0733	36260	1.1089
10,001 - 99,99,999	19	0.2787	3037749	92.8975
Total	6818	100.00	3270000	100.00

17. OUTSTANDING GDR'S / ADR'S / WARRANT OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company has not issued any of these instruments till date.

18. RECONCILIATION OF SHARE CAPITAL :

A qualified practicing Company Secretary carries out Audit of Reconciliation of Share Capital every quarter to reconcile the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form & in the Electronic Form.

19. ADDRESS FOR CORRESPONDENCE:

Plant Locations : 25-A, Attibele Industrial Area, Attibele, Bangalore District, Karnataka-562 107
Registered Office : 25-A, Attibele Industrial Area, Attibele, Bangalore District, Karnataka-562 107
Corporate Office : 8-2-684/3/25&26, Road No.12, Banjara Hills, Hyderabad, Telangan-500034. Phone No.: 040-23305194. Fax : 23305167

20. MEANS OF COMMUNICATION:

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in Business Standard in English & Sanjevani in Kannada. The results are also displayed on the Company's website "www.midwestgoldltd.com".

21. NOMINATION FACILITY:

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014 are requested to submit to the Company the prescribed Form SH-13 and / or SH-14 for this purpose.

22. CODE OF CONDUCT FOR THE BOARD & SENIOR MANAGEMENT PERSONNEL:

The Company has laid down a Code of Conduct which has been effectively adopted by the Board Members and Senior Management Personnel of the Company.

23. DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

MIDWEST GOLD LIMITED has adopted a Code of Business Conduct and Ethics (the Code) which applies to all the employees and Directors of the Company. Under the Code, it is the responsibility of all the employees and directors to familiarize themselves with the code and comply with its standards.

We, hereby certify that the Board of Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year 2016-17.

BY THE ORDER OF THE BOARD

For **MIDWEST GOLD LIMITED**

K.Deepak

Whole Time Director

(DIN: 03146700)

B.S.Raju

Whole Time Director

(DIN: 01431440)

Place : Hyderabad

Date : 14.08.2017



**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS
OF CORPORATE GOVERNANCE**

To
The Members,
MIDWEST GOLD LIMITED
(Formerly NOVA GRANITES (INDIA) LIMITED)
Bangalore

We have examined the compliance of conditions of corporate governance by M/s. MIDWEST GOLD LIMITED (Formerly NOVA GRANITES (INDIA) LIMITED) for the year ended 31st March, 2017, as per SEBI (LODR) Regulations, 2015 to the extent applicable read with the provisions of the Companies Act, 2013 and relevant rules made there under :

The compliance of the conditions of the corporate governance is the responsibility of the Management. Our examinations were 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 expression of the 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 Regulations.

Pursuant to the Regulation 15(2) of SEBI (LODR) Regulations, 2015, the Regulations pertaining to the Corporate Governance i.e 17 to 27 & Clauses b to i of sub regulation 46(2) and para C, D & E of schedule V are not applicable to the Company since the net worth is less than 25 Crores and the paid up capital is less than 10 Crores as on the latest Audited Balance Sheet.

However the Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance of the SEBI(LODR) Regulations, 2015 to the extent applicable read with the provisions of the Companies Act, 2013 and relevant rules made there under.

We state that no investor grievances were pending for a period exceeding 15 days 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 **G.L.Kothari & Co.**
Chartered Accountants

G. L. Kothari
Proprietor
M. No. 25481

Place: Bangalore
Date: 14.08.2017

INDEPENDENT AUDITOR'S REPORT

To the Members of
MIDWEST GOLD LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of MIDWEST GOLD LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31 March 2017 and its loss and its cash flow for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, statement of profit and loss and cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the directors as on 31 March 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of section 164(2) of the Act; and
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
 - g) with respect to the other to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank notes during the period from 8th November,2016 to 30th December,2016 Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and has produced to us by the Management -Refer Note-15

For G. L. KOTHARI & Co.,
CHARTERED ACCOUNTANTS
CA G.L.KOTHARI
PROPRIETOR
M. No. 025481
(Firm Registration No. 001445 S)

PLACE : Bangalore
DATE : 30/05/2017

Annexure – “A” to the Independent Auditors’ Report

The Annexure referred to in our independent Auditors’ report to the members of the company on the standalone financial statements for the year ended 31 March 2017, we report that:

1.
 - a) *The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.*
 - b) *A substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.*
 - c) *According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.*
2.
 - a) *The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.*
 - b) *In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.*
 - c) *In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of account.*
3.
 - a) *The Company has taken an interest free unsecured loan from inter corporate related party. The terms of arrangements do not stipulate any repayment schedule and loans are repayable on demand.*
 - b) *According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to and from companies, firms and other parties covered in the register maintained under section 189 of the Companies Act.*
4. *In Our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.*
5. *The Company has not accepted any deposits from the public during the year under consideration.*
6. *The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities rendered by the Company.*
7. *According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employee’s State Insurance, Income tax, Sales Tax, Wealth Tax, Service*

Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at March 31, 2017 for a period of more than six months from the date on which they become payable.

8. The company has not defaulted in payment of any loan installment or interest in respect of term loans from bank. The company has not issued any debentures and taken the loan from financial institution.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

10. 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 has been noticed or reported during the course of our audit.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. In Our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered in to non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For G. L. KOTHARI & Co.,
CHARTERED ACCOUNTANTS
CA G.L.KOTHARI
PROPRIETOR
M. No. 025481
(Firm Registration No. 001445 S)

PLACE : Bangalore
DATE : 30/05/2017

Annexure - "B" to the Independent Auditors' Report

Report on the Internal Financial Controls under (i) Of Sub-section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Midwest Gold Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountant of India. (ICAI).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- 1. pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company*
- 2. provide reasonable assurance that truncations are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and*
- 3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.*

Inherent Limitations of Internal Financial Controls over Financial Reporting.

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting Issued by the Institute of Chartered Accountants of India.

For G. L. KOTHARI & Co.,
CHARTERED ACCOUNTANTS
CA G.L.KOTHARI
PROPRIETOR
M. No. 025481
(Firm Registration No. 001445 S)

PLACE : Bangalore
DATE : 30/05/2017



MIDWEST GOLD LIMITED
(formerly NOVA GRANITES (INDIA) LIMITED)
BALANCE SHEET AS AT 31ST MARCH, 2017

	Notes	31 March,2017 Rs	31 March,2016 Rs
Equity and Liabilities			
Shareholders' funds			
Share capital	3	32,700,000	32,700,000
Reserves and Surplus	4	(81,428,421)	(62,674,509)
		(48,728,421)	(29,974,509)
Non -Current Liabilities			
Long Term Provisions	5	162,358	136,152
		162,358	136,152
Current Liabilities			
Short Term Borrowings	6	139,581,304	121,113,754
Trade Payables	7	25,608,261	26,881,272
Other Current Liabilities	8	24,675,393	47,164,225
Short-term Provisions	9	72,584	550,445
		189,937,542	195,709,696
Total		141,371,479	165,871,339
Assets			
Non-current Assets			
Fixed assets			
Tangible assets	10	27,747,392	31,930,064
Deferred tax asset (net)	11	42,808,477	44,094,789
Long-term loans and advances	12	5,593,324	5,713,324
		76,149,193	81,738,177
Current assets			
Inventories	13	6,907,518	18,140,053
Trade receivables	14	50,374,792	55,429,194
Cash and bank balances	15	584,560	500,304
Short-term loans and advances	16	7,355,416	10,063,611
		65,222,286	84,133,162
Total		141,371,479	165,871,339
Summary of significant accounting policies & Notes to Accounts 1 & 2			

The accompanying notes are an integral part of the financial statements.

For and on behalf of the board of directors

K. Deepak

Whole Time Director
DIN :03146700

B.S.Raju

Whole Time Director
DIN: 01431440

As per our report of even date
For G. L.KOTHARI & COMPANY
CHARTERED ACCOUNTANTS,
(Firm No. 001445 S)

S Anand Reddy

Chief Financial Officer(CFO)

Place : Bangalore
Date : 30-05-2017

Manish Tarachand Pande

Company Secretary &
Compliance Officer

CA G.L.KOTHARI

PROPRIETOR
M. No. 025481

MIDWEST GOLD LIMITED
(formerly NOVA GRANITES (INDIA) LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Notes	31 March, 2017 Rs	31 March, 2016 Rs
Continuing operations			
Income			
Revenue from operations	17	25,971,475	40,665,390
		25,971,475	40,665,390
Other Income	18	252,096	438,939
Total Revenue (I)		26,223,571	41,104,329
Expenses			
Cost of raw material and components consumed	19	10,248,673	-
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	983,862	(1,821,805)
Purchase of traded goods	21	20,899,170	34,370,821
Employee benefits expense	22	1,201,818	1,148,197
Other expenses	23	6,101,664	15,609,497
Total (II)		39,435,187	49,306,710
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) -(II)		(13,211,616)	(8,202,381)
Finance costs	24	73,312	1,639,504
		(13,284,928)	(9,841,885)
Depreciation and amortization expense	25	4,182,672	2,386,748
Less: recoupment from revaluation reserve		-	-
Net Depreciation and amortization expense		4,182,672	2,386,748
Profit/(Loss) before tax		(17,467,600)	(12,228,633)
current tax		-	-
Tax Expenses		-	53,963
deferred tax		1,286,312	(696,988)
Total tax expenses		1,286,312	(643,025)
Profit/(Loss) for the year from continuing operations(A)		(18,753,912)	(11,585,608)
Earnings per equity share (nominal value of share Rs.10/- (31 march, 2017 : Rs.10/-)	26		
Basic			
Computed on the basis of profit/(loss) from continuing operations		(5.74)	(3.54)
Computed on the basis of total profit/(loss) for the year		(5.74)	(3.54)
Diluted			
Computed on the basis of profit/(loss) from continuing operations		(5.74)	(3.54)
Computed on the basis of total profit/(loss) for the year		(5.74)	(3.54)
Summary of significant accounting policies & Notes to Accounts 1 & 2			

The accompanying notes are an integral part of the financial statements.

For and on behalf of the board of directors

K. Deepak

Whole Time Director
DIN :03146700

B.S.Raju

Whole Time Director
DIN: 01431440

As per our report of even date
For G. L.KOTHARI & COMPANY
CHARTERED ACCOUNTANTS,
(Firm No. 001445 S)

S Anand Reddy

Chief Financial Officer(CFO)
Place : Bangalore
Date : 30-05-2017

Manish Tarachand Pande

Company Secretary &
Compliance Officer

CA G.L.KOTHARI

PROPRIETOR
M. No. 025481



MIDWEST GOLD LIMITED
(formerly NOVA GRANITES (INDIA) LIMITED)
Cash flow statement for the year ended 31st March, 2017

	31 March,2017 Rs	31 March,2016 Rs
Cash flow from operating activities		
Profit/(Loss) from continuing operations	(17,467,600)	(12,282,596)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	4,182,672	2,386,748
Interest Expense	-	1,577,387
Interest Income	(247,096)	(261,298)
Decrease/(Increase) in trade payables	(1,273,011)	(3,484,421)
Increase/(decrease) in long-term provisions	26,206	17,019
Increase/(decrease) in short-term provisions	(477,861)	460,450
Increase/(decrease) in other current liabilities	(4,021,282)	(21,412,209)
Decrease/(Increase) in trade receivables	5,054,402	3,178,500
Decrease/(Increase) in inventories	11,232,535	(1,821,805)
Decrease(Increase) in long-term loans and advances	120,000	(120,000)
Decrease (Increase) in short-term loans and advances	2,708,195	33,219,454
Net cash flow from/(used in) operating activities (A)	(162,840)	1,457,229
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and Interest received	-	-
	247,096	261,298
Net cash flow from/(used in) investing activities (B)	247,096	261,298
Cash flows from financing activities		
Interest paid	-	(1,577,387)
Net Cash flow from/(used in) financing activities (C)	-	(1,577,387)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	84,256	141,140
Cash and cash equivalents at the beginning of the year	500,304	359,164
Cash and cash equivalents at the end of the year	584,560	500,304
Components of cash and cash equivalents		
Cash on hand	3,786	33,188
Cheques /drafts on hand		
With banks -on current account	418,774	305,116
- on deposit account	162,000	162,000
Total cash and cash equivalents (note 18)	584,560	500,304
Summary of significant accounting policies		
The company can utilize these balances only toward settlement of the respective unpaid dividend, unpaid matured deposits and unpaid matured debenture liabilities.		

For and on behalf of the board of directors

K. Deepak
Whole Time Director
DIN :03146700

B.S.Raju
Whole Time Director
DIN: 01431440

S Anand Reddy
Chief Financial Officer(CFO)

Manish Tarachand Pande
Company Secretary &
Compliance Officer

As per our report of even date
For G. L.KOTHARI & COMPANY
CHARTERED ACCOUNTANTS,
(Firm No. 001445 S)

CA G.L.KOTHARI
PROPRIETOR
M. No. 025481

Place : Bangalore
Date : 30-05-2017

MIDWEST GOLD LIMITED
(Formerly NOVA GRANITES (INDIA) LIMITED)

**ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH, 2017**

I SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

Midwest Gold Limited (the company) is a public company domiciled in India and incorporated under the provisions of the companies Act, 1956. Its Shares are listed on stock exchanges in India. The company is presently engaged in the trading business of Granite, Marbles and Gold.

2. Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 133 of Companies Act 2013 [As on date the notified accounting standards are, the Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, period of 12 months is taken as a operating cycle for the purpose of current - non current classification of assets and liabilities."

II FIXED ASSETS AND DEPRECIATION:

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Machinery spares which are specific to particular item of Fixed Assets and its use is expected to be irregular are classified as Mandatory spares and are shown separately under Fixed Assets. "Depreciation is provided on a straight line method, at the rates and manner prescribed in Schedule II of the Companies Act, 2013.

All assets have been depreciated at 95% of their cost and the remaining 5% has not been depreciated as the same will form part of Scrap value..

III VALUATION OF INVENTORIES ARE MADE AS UNDER

- | | | |
|---------------------|---|---|
| 1. Raw Material | - | Lower of Cost or Estimated Realizable Value |
| 2. Stores & Spares | - | Lower of Cost or Estimated Realizable Value |
| 3. Consumables | - | Lower of Cost or Estimated Realizable Value |
| 4. Work In Progress | - | Lower of Cost or Estimated Realizable Value |
| 5. Finished Goods | - | Lower of Cost or Net Realizable Value |
| 6. Stock in Trade | - | Lower of Cost or Net Realizable Value |

IV SALES

Sales are accounted for on passing of title to the customers. Returns and rebates and discounts against goods sold are recognized as and when ascertained and deducted from sales of the respective year.

V MISCELLANEOUS EXPENDITURE

1. Preliminary & Public Issue Expenses:

Preliminary & Public Issue Expenses incurred by the Company will be charged to revenue on a deferred basis over a period of 10 Years on a Commencement of Commercial Production.

2. Quarry Development Expenditure:

Expenditure incurred on quarry development is treated as deferred revenue expenditure to be written off over a period of ten years after commencing regular quarrying Operation. In the event of abandoning the quarrying operation with in the period of Ten Years, the Same shall be written off in that year.

VI TRANSACTIONS IN FOREIGN CURRENCY :

1. Foreign currency transactions are recorded on the basis of exchange rates prevailing on the date of their occurrence.
2. Foreign currency balances as on the Balance Sheet date are realigned in the accounts on the basis of exchange rates prevailing at the close of the year and exchange difference arising there from, is adjusted to the cost of fixed Assets or charged to the Profit and Loss Account, as the case may be.

VII RETIREMENT BENIFITS FOR EMPLOYEES

EMPLOYEE BENEFITS

Defined Contribution Plan

The Company makes contribution towards Provident Fund and Employee State Insurance as a defined contribution retirement benefit fund for qualifying employees.

The Provident Fund plan is operated by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost, as per the statute, to the retirement benefit schemes to fund the benefits. Employee State Insurance is remitted to Employee State Insurance Corporation.

Defined Benefit Plan

For Defined Benefit Plant the cost of providing benefits is determined using the Projected

Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains or losses are recognized in full in the Profit and Loss Account for the period in which they occur.

(a) GRATUITY

Liability towards gratuity is provided for on actuarial Valuation Basis.

(b) Leave Encashment Benefits

The Company extends benefits of leave to the employees while in service as well as on retirement. Provision for leave encashment benefit is being made on the cash basis.

(c) Short Term Employee Benefits.

Short term employee benefits are recognized as expenses as per Companies scheme based on expected obligation

VIII RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development expenditure of revenue nature are charged to the Prof and Loss Account, while capital expenditure are added to Fixed Assets in the year in which they are incurred.

IX CONTINGENCIES

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of Notes to Accounts.

X BORROWING COSTS

Borrowings costs incurred in relation to the acquisition, construction of assets are capitalized as part of the costs of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charges as an expense in the year in which these are incurred.

XI TAXES ON INCOME

a. Provision for Tax for current year has been made on the basis of estimated taxable income computed in accordance with the provisions as per Income Tax Act, 1961.

b. Deferred Tax resulting from all timing differences between Book Profit and profit as per Income Tax Act, 1961 is accounted for, at the enacted rate of Tax, to the extent that the timing difference as expected to crystallize. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realized.

As per our report of even date
For G. L.KOTHARI & COMPANY
CHARTERED ACCOUNTANTS,
(Firm No. 001445 S)

G.L.KOTHARI
Proprietor
M. No. 25481

Place : Bangalore
Date : 30.05.2017

For and on behalf of the board
of directors

K.Deepak
Whole Time Director
DIN: 03146700

S. Anand Reddy
Chief Financial Officer(CFO)

B.S.Raju
Whole Time Director
DIN : 01431440

Manish Tarachand Pande
Company Secretary &
Compliance Officer



MIDWEST GOLD LIMITED (formerly NOVA GRANITES (INDIA) LIMITED)
Notes to Financial Statements for the year ended 31st March, 2017

		31 March, 2017		31 March, 2016	
		Rs.		Rs.	
3	Share Capital				
	Authorized				
	2,00,00,000 Equity Shares of Rs. 10/- each		20,00,00,000		20,00,00,000
	Issued, Subscribed and fully paid-up shares				
	32,70,000 Equity Shares of Rs. 10/- each		32,700,000		32,700,000
			32,700,000		32,700,000
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period					
	Equity Shares	No.	Rs.	No.	Rs.
	At the beginning of the period	3,270,000	32,700,000	3,270,000	32,700,000
	Issued During the period	-	-	-	-
	Outstanding at the end of the period	3,270,000	32,700,000	3,270,000	32,700,000
b. Terms/rights attached to equity shares					
The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.					
c. Shares held by holding Company					
	Midwest Granite Pvt. Ltd	2,309,500	2,30,95,000	2,309,500	2,309,500
d. Details of Shareholders holding more than 5% shares in the company					
		No.	%	No.	%
	Equity Shares of Rs. 10/- each fully paid				
	Midwest Granite Pvt. Ltd	23,09,500	70.62	2,309,500	70.62
		23,09,500	70.62	2,309,500	70.62
4	Reserves and Surplus				
			Rs.		Rs.
	Capital Reserve		38,014,360		38,014,360
	Represents the cessation of liability on one time settlement		38,014,360		38,014,360
	Term Loan and balance of Reduction of share capital by Virtue of BIFR Order No. 39/99(11) dated 11/11/03 which is not available for distribution of dividends				
	Surplus/(deficit) in the statement of Profit and loss				
	Balance as per last financial statements		(100,688,869)		(89,103,261)
	Less : Carrying Amounts of Fixed Assets debited to Retained Earnings		-		-
	Profit / (Loss) for the year		(18,753,912)		(11,585,608)
	Net surplus / (deficit) in the statement of Profit and loss		(119,442,781)		(100,688,869)
	Total reserves and surplus		(81,428,421)		(62,674,509)



MIDWEST GOLD LIMITED (formerly NOVA GRANITES (INDIA) LIMITED)
Notes to Financial Statements for the year ended 31st March, 2017

		31 March,2017		31 March,2016	
			Rs.		Rs.
5	Long-term provisions				
	Provision for employee benefits				
	Provision for gratuity		162,358		136,152
			162,358		136,152
	Current Liabilities				
6	Short-term Borrowings				
	Unsecured				
	- From Related parties (Midwest Granite Pvt Ltd)		139,581,304		121,113,754
			139,581,304		121,113,754
7	Trade payables (including acceptances)		25,608,261		26,881,272
			25,608,261		26,881,272
8	Other current liabilities				
	Advance / Deposit from Customers		22,517,380		46,466,991
			22,517,380		46,466,991
	Others				
	TDS payable		25,190		24,969
	Professional Tax payable		400		400
	Provision for Expenses		120,550		-
	Other Advances		1,060,000		
	Outstanding Liabilities		951,873		671,865
			2,158,013		697,234
			24,675,393		47,164,225
9	Short-term provisions				
	Provision for employee benefits				
	Provision for Bonus		53,823		90,251
	Provision for Expenses		-		435,611
	Provision for Leave Salary		18,761		24,583
			72,584		550,445



MIDWEST GOLD LIMITED
(formerly NOVA GRANITES (INDIA) LIMITED)
Notes to Financial Statements for the year ended 31 March 2017

10. Fixed Assets

(Amount in Rupees)

Particulars	Gross Carrying Value			Depreciation			Net Carrying Value		
	As At 01.04.2016	Additions During the Year	Sale/ deletion During the Year	As At 31.03.2017	As At 01.04.2016	Accumulated Depreciation Reversed/ Adjusted	For the Year	As At 31.03.2017	As At 31.03.2016
Tangible Assets									
Land	10,037,981	-	-	10,037,981	-		-	10,037,981	10,037,981
Free Hold Quarry Land	1,017,637	-	-	1,017,637	1,017,637	-	-	1,017,637	-
Building -Office	1,353,352	-	-	1,353,352	401,025		60,936	461,961	952,327
Building -Factory	13,890,606	-	-	13,890,606	9,144,682		480,734	9,625,416	4,745,924
Temporary Shed	35,010	-	-	35,010	35,010		-	35,010	-
Plant & Equipment	131,807,528	-	-	131,807,528	115,664,792		3,639,255	119,304,047	16,142,736
Furniture & Fixtures	957,481	-	-	957,481	957,481		-	957,481	-
Vehicles	1,383,110	-	-	1,383,110	1,383,110		-	1,383,110	-
Computer	782,725	-	-	782,725	782,725		-	782,725	-
Office Equipment	1,070,705	-	-	1,070,705	1,019,609		1,747	1,021,356	51,096
Total	162,336,135	-	-	162,336,135	130,406,071	-	4,182,672	134,588,743	31,930,064
Previous Year -Tangible	162,336,135	-	-	162,336,135	128,019,323	-	2,386,748	130,406,071	31,930,064



MIDWEST GOLD LIMITED (formerly NOVA GRANITES (INDIA) LIMITED)
Notes to Financial Statements for the year ended 31st March, 2017

	31 March, 2017		31 March, 2016	
		Rs.		Rs.
11 Deferred tax assets/liability (Net)				
Deferred tax liability				
Fixed assets: Impact of difference between tax		3,101,058		4,356,586
Gross deferred tax liability		3,101,058		4,356,586
Deferred tax asset				
Brought forward Business Loss		20,171,076		22,798,285
Brought forward Depreciation Loss		25,738,459		25,653,090
Gross deferred tax asset		45,909,535		48,451,375
Net deferred tax asset		42,808,477		44,094,789
12 Long-term Loans and advances				
Deposit -(Unsecured considered good)		5,593,324		5,713,324
		5,593,324		5,713,324
13 Inventories				
Raw materials and components - Valued at Lower of Cost or Estimated Realizable Value		878,321		8,783,212
Finished goods - Valued at Lower of cost or net realizable value		63,698		887,490
Traded goods - Valued at Lower of cost or net realizable value		5,705,079		5,865,149
Consumables, Stores and spares -Valued at Lower of Cost or Estimated Realizable Value		259,422		2,594,224
Packing Material -Valued at Lower of Cost or Estimated Realizable Value		998		9,978
		6,907,518		18,140,053
14 Trade receivables and other assets				
Trade receivables				
Outstanding for a period Exceeding six months from the Date they are due for payment				
Unsecured, considered good		10,486,818		15,487,071
Doubtful		39,887,974		39,942,123
(A)		50,374,792		55,429,194
Trade recivables outstanding for a period less than six months from the date they are due for payment				
Unsecured, considered good				-
(B)		-		-
Total (A+B)		50,374,792		55,429,194

MIDWEST GOLD LIMITED (formerly NOVA GRANITES (INDIA) LIMITED)
Notes to Financial Statements for the year ended 31st March, 2017

		31 March, 2017		31 March, 2016	
		Rs.		Rs.	
15	Cash and cash equivalents				
	Balance with Banks				
	On current accounts		418,774		305,116
	Deposits with original maturity for more than 12 months		162,000		162,000
	Cash on hand		3,786		33,188
			584,560		500,304
* The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:					
	Particulars	SBNs	Other denomi- nation notes		Total
	Closing cash in hand as on 08-11-2016	20,000	2,119	-	22,119
	(+) Permitted receipts	-	-	-	-
	(+) Amount withdrawn from Banks	-	60,000	-	60,000
	(-) Permitted payments	20,000	37,592	-	57,592
	(-) Amount deposited in Banks	-	-	-	-
	Closing cash in hand as on 30-12-2016	-	24,527	-	24,527
16	Short-term Loans and advances				
	Advance Against Suppliers/Expenses				
	Unsecured considered good (Includes Rs.3,10,00,000/- from related parties)		292,500		871,070
	Doubtful		1,994,799		2,068,700
	(A)		2,287,299		2,939,770
	Other loans and advances				
	Prepaid expenses- Secured considered good		28,229		17,884
	TDS Receivable		23,011		24,364
	Income Tax Refund Due -Secured considered good		153,262		128,898
	Income Tax Tribunal fee - A Y 2003-2010		62,550		62,550
	Other Advances		4,200		14,270
	Others - doubtful		3,579,170		3,579,170
	With Government authorities - Secured considered good		1,075,198		3,171,198
	(B)		4,925,620		6,998,334
	Total (A+B)		7,212,919		9,938,104
	Others				
	Interest accrued on fixed deposits	-	142,497		125,507
	(C)	-	142,497	-	125,507
	Total (A+B+C)	-	7,355,416	-	10,063,611
17	Revenue from operations				
	Revenue from operations Sales of products		Rs.		Rs.
	Traded goods		25,971,475		40,665,390
			25,971,475		40,665,390
	Traded goods sold				
	Marble Slabs		165,000		167,760
	Rough Granite Blocks		25,806,475		40,497,630
			25,971,475		40,665,390



MIDWEST GOLD LIMITED (formerly NOVA GRANITES (INDIA) LIMITED)
Notes to Financial Statements for the year ended 31st March, 2017

		31 March,2017		31 March,2016	
		Rs.		Rs.	
18	Other income				
	Interest income on				
	Bank deposits		16,990		17,658
	Others		230,106		243,640
	Other Receipts		5,000		-
	Excess Provision Withdrawn		-		-
	Miscellaneous Debit /Credit Balance Wo.(Net)		-		177,641
			252,096		438,939
19	Cost of raw material and components consumed				
	Inventory at the beginning of the year		11,387,414		11,387,414
	Add: Purchases		-		-
			11,387,414		11,387,414
	Less:inventory at the end of the year		1,138,741		11,387,414
	Cost of raw material and components Consumed		10,248,673		-
	Granite Blocks		878,321		8,783,212
	Mechanical Spares		116,506		1,165,061
	Electrical Spares		10,157		101,573
	Consumables		120,279		1,202,793
	Tools, Plumbing,Welding,DG Sets & General Items		12,480		124,797
	Packing Material		998		9,978
			1,138,741		11,387,414
20	(Increase)/decrease in inventories	(Increase)/Decrease			
		31 March,17	31 March,16	31 March,17	
		Rs.	Rs.	Rs.	
	Inventories at the end of the year	Rs.	Rs.	Rs.	
	Traded goods	5,705,079	5,865,149	160,070	
	Work-in-progress	-	-	-	
	Finished goods	63,698	887,490	823,792	
		5,768,777	6,752,639	983,862	
	Inventories at the beginning of the year				
	Traded goods	5,865,149	4,043,344		
	Finished goods	887,490	887,490		
		6,752,639	4,930,834		



MIDWEST GOLD LIMITED (formerly NOVA GRANITES (INDIA) LIMITED)
Notes to Financial Statements for the year ended 31st March, 2017

		31 March,2017		31 March,2016	
			Rs.		Rs.
21	Details of purchase of traded goods				
	Marble Slabs		-		1,970,991
	Rough Granite Blocks		20,899,170		32,399,830
			20,899,170		34,370,821
	Details of Inventory				
	Traded goods				
	Marble Slabs		5,705,079		5,865,149
	Granite Slabs		-		-
			5,705,079		5,865,149
	Finished goods				
	Marble Slabs		53,120		599,965
	Granite Slabs		27,110		275,547
	Artificial Stone		1,174		11,978
			81,404		887,490
22	Employee benefit expense				
	Staff Salaries		1,079,562		949,176
	Bonus		53,823		80,739
	Leave Salary		34,906		24,583
	Gratuity expenses		26,206		17,019
	Medical Insurance		-		36,160
	Staff welfare expenses		7,321		40,520
			1,201,818		1,148,197



MIDWEST GOLD LIMITED (formerly NOVA GRANITES (INDIA) LIMITED)
Notes to Financial Statements for the year ended 31st March, 2017

	31 March,2017		31 March,2016	
		Rs.		Rs.
23 Other expenses				
Power and fuel		379,574		445,393
Water charges		10,550		-
Freight and forwarding charges		797,252		3,458,458
Rent		149,900		148,800
Rates and taxes		293,025		316,675
Insurance		18,985		1,603
Repairs and maintenance				
Plant and machinery		73,967		-
Others		323,427		373,031
Advertising and sales promotion		89,805		101,860
Travelling and conveyance		57,021		49,825
Communication costs		67,911		101,908
Printing and stationery		5,613		18,588
Legal and professional fees		110,827		187,073
Payment to auditor		125,000		125,000
Security Charges		474,150		460,824
Penalty		-		214,060
Fluctuation Loss/gain		1,875,810		2,809,724
Listing fee		200,000		200,000
Service Tax		353,277		298,902
Vat Paid		274,397		-
Customs Duty		-		6,083,076
Miscellaneous Debit/(Credit) Balances W/o.		151,993		-
Prior Period Expenses		-		46,197
Fines & Penalty		4,470		-
AGM Expenses		260,360		161,000
Quarry Lease Application fee		-		5,000
Miscellaneous expenses		4,350		2,500
		6,101,664		15,609,497
Payment to auditor				
As auditor:				
Audit fee		75,000		75,000
Tax audit fee		15,000		15,000
Limited review		20,000		15,000
In other capacity:				
Taxation matters		-		-
Other service (Certification fees)		15,000		20,000
		125,000		125,000



MIDWEST GOLD LIMITED (formerly NOVA GRANITES (INDIA) LIMITED)
Notes to Financial Statements for the year ended 31st March, 2017

		31 March,2017		31 March,2016	
			Rs.		Rs.
24	Finance costs				
	Interest		-		1,577,387
	Bank charges		73,312		62,117
			73,312		1,639,504
25	Depreciation and amortization expense				
	Depreciation of tangible assets		4,182,672		2,386,748
			4,182,672		2,386,748
26	Earnings per share(EPS)				
	Total operations for the year				
	Profit/(loss) before tax		(17,467,600)		(12,228,633)
	Add/(less) : Income Tax Expenses		-		53,963
	Add/(less) : Provision for Deferred tax		1,286,312		(696,988)
	Profit/(loss) after tax		(18,753,912)		(11,585,608)
	Net profit/(loss) for calculation of basic EPS		(5.74)		(3.54)
27	Gratuity and other post-employment benefit plans	<p>Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service.</p> <p>The Company has made provision as per the Gratuity Act since there is only one employee who has completed above five years of service in the company.</p>			
28	Segment information	<p>The Company has only one reportable business segment and one geographical segment under Accounting Standard 17 on Segment Reporting.</p>			



MIDWEST GOLD LIMITED (formerly NOVA GRANITES (INDIA) LIMITED)
Notes to Financial Statements for the year ended 31st March, 2017

	31 March,2017		31 March,2016	
		Rs.		Rs.
29 Related party disclosures				
Names of related parties and related party relationship				
Related parties where control exists	Outstanding Credit balance		Outstanding Credit balance	
	as on 31-03-2017		as on 31-03-2016	
Holding company				
Midwest Granite Private Limited (loan outstanding)	143,166,471	Cr	145,598,091	Cr
Midwest Granite Private Limited (Advance Given Against Supplies)	3,585,167	Dr	24,484,337	Dr
Fellow Subsidiary Company				
RDT Diamond Tools Pvt Ltd (Security Deposit Received Against Supplies)	10,000,000	Cr.	10,000,000	Cr
Associated company				
Related party transactions (Sale/purchase of goods and services)	Nil		Nil	
Key Managerial personnel				
Mr. K. Deepak, Whole time director Mr. B S Raju, Whole time director Mr.S. Ananda Reddy, CFO Mr.Manish Tarachand Pande, Company Secretary				
30 Contingent liabilities			(Rs. in lacs)	
Contingent liability not provided for :				
a. Un expired Bank Guarantee	14.40		14.40	
b. Corporate Guarantee given by M/s. Midwest Granite Pvt. Ltd. In favor of President of India	175.00		175.00	
c. Bond in favor of President of India on account of central excise.	10.00		10.00	
d. Bond in favor of President of India on account of custom	468.23		468.23	
e. Corporate Guarantee given by the Company in favour of HDFC Bank for Loans taken by Midwest Granite Pvt Ltd	1,257.07		1,645.21	
f Customduty (Refer Note No. B -7)	7.01		15.01	
Note No. B-7-The Company has received a show cause Notice from customs Department towards differential duty under Notification No.2/95 Dated 01/04/95 to the tune of Rs. 07.01 Lakhs.(Previous year Rs.15.01 Lakhs) The company has made appeal against this and the same is pending before the concerned authorities.				



MIDWEST GOLD LIMITED (formerly NOVA GRANITES (INDIA) LIMITED)
Notes to Financial Statements for the year ended 31st March, 2017

	31 March,2017	31 March,2016
	Rs. in Lacs	Rs. in Lacs
31 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 As informed to us there are no Micro and Small Enterprises to whom the company owes dues, which are outstanding for more than 45 days as at march 31 2017. This information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.		
32 Sundry debtors includes amount due from company under the same management Rs. -Nil- (Previous year Rs. -Nil-) maximum amount due at any time during the year Rs. - Nil		
33 Sundry Creditors, Other Liabilities, Sundry Debtors, Loans and Advances are subject to confirmation. Sundry Debtors includes Rs. 399.42lakhs outstanding more than three years out of which 132.32 lakhs claim was filed with united states bankruptcy court, USA since the party filed the bankruptcy petition with the said court.		
34 In the opinion of the management, the current assets, loans and advances are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provisions for all known liabilities have been adequately made in the accounts.		
	31 March,2017	31 March,2016
	Rs. in Lacs	Rs. in Lacs
35 Value of imports calculated on CIF basis Traded Goods -Marble Slabs Expenditure in foreign currency (accrual basis) Imported and indigenous raw materials, components and spare parts consumed	17.54 Nil Value Rs.	Nil Nil Value Rs.
	31 March,2017	31 March,2016
Raw Materials Imported Indigenously obtained	- -	- -
Components Imported Indigenously obtained	- -	- -
36 Earnings in foreign currency (accrual basis)	258.06	404.98
37 During the year the management has changed the accounting policy for valuation of inventories of the following: a. Raw Material - from Weighted average cost to Lower of cost or Estimated realizable value due to this the valuation of Raw material is reduced by Rs.79,04,891/- b. Consumables, Stores&Spares and Packing material - from at cost (FIFO) Method to Lower of cost or Estimated realizable value due to this the valuation is reduced by Rs.23,43,782/-		

As per our report of even date
For G. L.KOTHARI & COMPANY
CHARTERED ACCOUNTANTS,

G.L.KOTHARI
Proprietor
M. No. 25481

K.Deepak
Whole Time Director
DIN: 03146700

B.S.Raju
Whole Time Director
DIN : 01431440

S. Anand Reddy
Chief Financial Officer(CFO)

Manish Tarachand Pande
Company Secretary &
Compliance Officer

Place : Bangalore
Date : 30.05.2017



MIDWEST GOLD LIMITED
[Formerly Nova Granites (India) Limited]
CIN: - L13200KA1990PLC011396
Registered Office: 25-A, Attibele Industrial Area, Attibele,
Bangalore District, Karnataka - 562 107.

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

<i>DP Id / Client Id</i>	
<i>Regd. Folio No.</i>	
<i>Name of the Shareholder</i>	
<i>Name of the Proxy</i>	
<i>No. of Share(s) held</i>	
<i>Signature of the Member/ Proxy</i>	

I certify that I am a member/proxy for a member of the Company. I hereby record my presence in 27th Annual General Meeting to be held on Saturday, 30th September, 2017 at 11.30 A.M at the registered office of the company at 25-A, Attibele Industrial Area, Attibele, Bangalore District, Karnataka-562 107.

Note:

1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the Entrance of the Meeting venue.
2. This Attendance Slip is valid only in case shares are held on the date of the meeting.



Form No. MGT- 12
POLLING PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company	MIDWEST GOLD LIMITED (Formerly Nova Granites (India)Limited)
Registered Office Address	25-A, Attibele Industrial Area, Attibele -562 107, Bangalore District, Karnataka
Corporate Identification No. (CIN)	L13200KA1990PLC011396

BALLOT PAPER

S.No	Particulars	Details
1	Name of the first named Shareholder (In Block Letters)	
2	Postal address	
3	Registered Folio No. / Client ID No.	
4	Class of Share	Equity Shares

I hereby exercise my vote in respect of Ordinary enumerated to be considered in 27th Annual General Meeting to be held on Saturday, 30th September, 2017 at 11.30 A.M. at the registered office of the company at 25-A, Attibele Industrial Area, Attibele Bangalore District, Karnataka-562 107, by recording my assent or dissent to the said resolutions in the following manner:

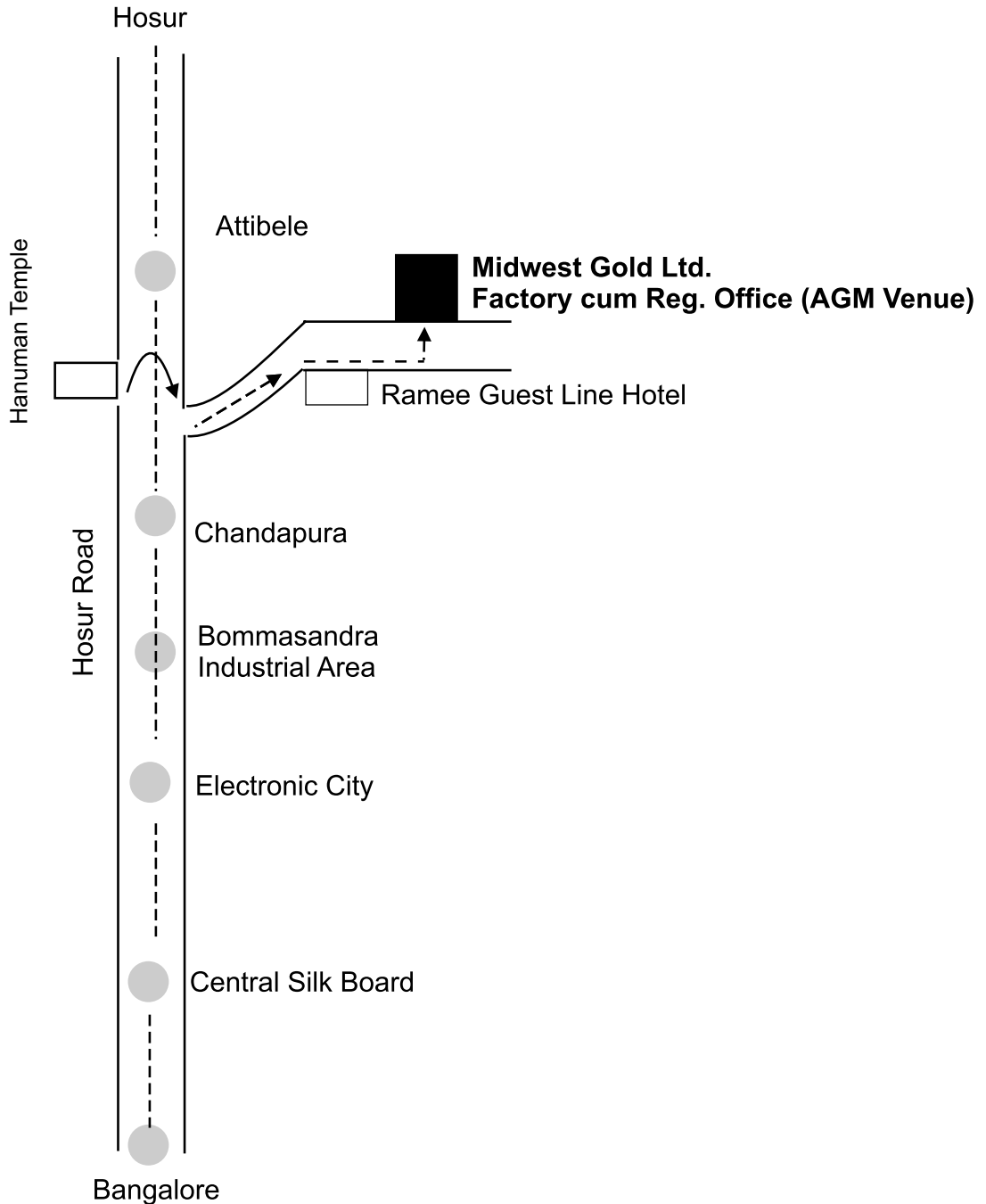
S. No	Resolutions	No.of Shares held	For	Against
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Report of Directors and the Auditors thereon.			
2	Re-appointment of Mr. Prabhat Kumar Tyagi, DIN: 02391274 as a Director of the Company who retire by rotation.			
3	Appointment of M/s. B R N Murthy And Associates, Chartered Accountants , Bangalore (Firm Registration Number - 011309 S), as statutory Auditors of the Company for five consecutive financial years from 2017-2018 to 2021-2022 subject to the ratification at every AGM.			
4.	Appointment of Mr. Deepak Kukreti as Whole Time Director for a period of five years w.e.f 28.10.2016			
5	Borrowing money(ies) for the purpose of business of the Company			
6.	Creation of security on the properties of the Company, both present and future, in favour of lenders:			
7	Investment in excess of limits specified under section 186 of Companies Act, 2013			

Place:

Date:

(Signature of the shareholder)

Route map to the venue of the 27th AGM of Midwest Gold Limited





MIDWEST GOLD LIMITED
[Formerly Nova Granites (India) Limited]

CIN: - L13200KA1990PLC011396

Registered Office: 25-A, Attibele Industrial Area, Attibele,
Bangalore District, Karnataka - 562 107.

Form No MGT-11

PROXY FORM

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

Name of the Member(s):

Registered address:

E-mail Id:

Folio No. / Client ID No. :DP ID No.

I/We, being the member(s) of Shares of Midwest Gold Limited, hereby appoint

1. Name:**E-mail Id:**

Address:

..... **Signature:** **Or failing him**

2. Name:**E-mail Id :**

Address:

..... **Signature:** **Or failing him**

3. Name: **E-mail Id:**

Address:

..... **Signature:**

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Seventh Annual General Meeting of the Company to be held on Saturday, 30th September, 2017 at 11.30 A.M at The Registered Office of the Company at 25-A, Attibele Industrial Area, Attibele, Bangalore District, Karnataka and at any adjournment thereof in respect of such resolutions as are indicated below :



S.No.	Resolutions	No.of Shares held	For	Against
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Report of Directors and the Auditors thereon			
2	Re-appointment of Mr. Prabhat Kumar Tyagi, DIN: 02391274 as a Director of the Company who retire by rotation.			
3	Appointment of M/s. B R N Murthy And Associates, Chartered Accountants , Bangalore (Firm Registration Number - 011309 S), as statutory Auditors of the Company for five consecutive financial years from 2017-2018 to 2021-2022 subject to the ratification at every AGM.			
4.	Ratification of Appointment of Mr. Deepak Kukreti as Whole Time Director for a period of five years w.e.f 28.10.2016			
5	Borrowing money(ies) for the purpose of business of the Company			
6.	Creation of security on the properties of the Company, both present and future, in favour of lenders:			
7.	Investment in excess of limits specified under section 186 of Companies Act, 2013			

Signed this day of 2017

Signature of shareholder.....

Signature of Proxy holder(s).....

Affix
Revenue
Stamp

NOTES:

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 25-A, Attibele Industrial Area, Attibele, Bangalore District, Karnataka -562 107, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy.

By Courier / Registered Post / Speed Post

If Undelivered, please return to :

MIDWEST GOLD LIMITED

(Formerly Nova Granites (India) Limited)

25-A, Attibele Industrial Area,

*Attibele - 562 107, Bangalore District,
Karnataka State.*