



MIDWEST GOLD LIMITED

(Formerly : Nova Granites (India) Limited)

ANNUAL REPORT 2011-2012

22nd Annual Report

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COMPANY INFORMATION

BOARD OF DIRECTORS

Shri P. K. Tyagi	-	Director
Shri B. S. Raju	-	Wholetime Director
Shri P. Harinadha Babu	-	Independent Director
Shri G. Nityanand	-	Independent Director
Shri S. Radhakrishnan	-	Independent Director
Shri K. Deepak	-	Director

AUDITORS	:	M/s G. L. KOTHARI & CO., Bangalore.
REGISTERED OFFICE	:	25-A, Attibele Industrial Area, Attibele -562 107, Bangalore District.
CORPORATE OFFICE	:	8-2-684/3/25&26, Road No.12, Banjara Hills, Hyderabad - 500 034. Andhra Pradesh.
REGISTRAR AND SHARE TRANSFER AGENT	:	Bigshare Services Private Limited., G-10, Left Wing, Amrutha Ville, Opposite- Yashoda Hospital, Somajiguda, Rajbhawan Road, Hyderabad – 500082.
LISTED AT	:	Bombay Stock Exchange Limited The Bangalore Stock Exchange Limited The Ahmadabad Stock Exchange Limited The Delhi Stock Exchange Limited
Website	:	www.midwestgoldltd.com
E-mail	:	novagranites1990@gmail.com
	:	info@midwestgoldltd.com

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the members of the Company will be held at 11.30 A.M, Tuesday the 25th September, 2012 at the registered office of the Company at 25-A Attibele Industrial Area, Attibele - 562107, Bangalore, Bangalore District to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and the Profit and Loss Account for the financial year ended on that date along with the Report of Directors and the Auditors thereon.
2. To appoint Director in the place of Sri G. Nityanad who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in the place of Sri Deepak Kukreti who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint G.L. Kothari & Co, Chartered Accountants Bangalore, as Statutory Auditor of the Company to hold the office as such from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix the remuneration.

BY THE ORDER OF THE BOARD

Sd/-

B. S. RAJU

WHOLE TIME DIRECTOR

Place : Bangalore

Date : 13.08.2012

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. The Register of Members and the Share Transfer Books will remain closed from 18th September, 2012 to 20th September, 2012 (both days inclusive).
3. 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.
4. Members are requested to quote their Registered Folio No on all correspondence with the Company.
5. 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., G-10, Left Wing, Amrutha Ville, Opposite- Yashoda Hospital, Somajiguda, Rajbhawan Road, Hyderabad – 500082.
6. The information pursuant to Clause 49 of the Listing Agreement with respect to the details of the Directors seeking appointment / Re-appointment in this Annual General Meeting is annexed.
7. 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 to send the annual reports and other information electronically.

ADDITIONAL INFORMATION

(Pursuant to Clause 49 IV (G) of the Listing Agreement)

Sri G. Nityanand is a commerce graduate having vast experience in the field of business. His services are considered to be useful to the Company in various aspects.

He is also Director in the following Companies :

1. M. R. Avenues Private Limited.
2. N. S. Infrastructure Private Limited.

Shareholding in the Company : Nil

Sri Deepak Kukreti is a graduate of Hotel Management, having vast experience in the field business . His services are considered to be useful to the Company in various aspects.

He is also Director in the following Companies :

1. S-Square Bistros Private Limited
2. Reliance Granite Private Limited
3. DRK (IND) Trading Private Limited
4. Yarra Agro Estates Private Limited

Shareholding in the Company : Nil

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the TWENTY SECOND ANNUAL REPORT together with the Audited Accounts of the company for the financial year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS:

The performance of the company for the financial year ended 31st March 2012 is summarized below.

PARTICULARS	(Rupees In Lakhs)	
	2011-12	2011-11
Gross Revenue	457.84	148.38
Total Expenditure	468.96	176.22
Profit / (Loss) before Financial Charges, Depreciation and Taxation	-2.97	-21.09
Less : Financial Charges	2.09	0.70
Depreciation	6.06	6.03
Profit/(Loss) before Tax (PBT)	-11.12	-27.84
Less/Add: Profit/ loss on sale / discard nation of Fixed Assets	0	0.00
Less : (Income Tax)	0	0.00
Add : Provision for Fringe Benefit Tax	0	0.00
Add:Provision for Deferred Tax Liability/(Asset)	-2.97	-6.10
Profit / (Loss) after Tax	-8.15	-33.94
Add:Balance brought forward from previous year	-671.99	-638.05
Balance carried to Balance Sheet	-680.14	-671.99

DIRECTORS' REPORT

PERFORMANCE :

Your Company achieved a Turnover of Rs. 457.84 Lacs when compared to Rs 148.38 lacs during the previous year. The operations of the Company resulted in a loss of Rs.11.12 lacs when compared to Rs. 27.84 lacs before taxes during the previous year.

The Major cause for the huge loss is on account of the high cost of goods sold, The Board is striving hard to improve the performance of the Company.

FUTURE OUTLOOK :

The management has done well to ensure sustain operations. However, due to high cost and expenditure, the operations resulted in Loss. Efforts are being made to reduce the costs involved.

The Management is also looking at breaking even in the ensuing financial year.

DIVIDEND :

Your Directors do not recommend any dividend for the financial year 2011-2012, in view of the accumulated losses.

FIXED DEPOSITS :

The company has neither accepted nor renewed any deposits falling within the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 from the public during the financial year.

DIRECTORS :

Sri G Nityanand and Sri Deepak Kukreti, directors are retiring at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

AUDITORS :

M/s. G.L. Kothari & Co. Chartered Accountants, Bangalore, the Statutory Auditors of the company retire at the conclusion of ensuing Annual General Meeting & being eligible, offer themselves for re-appointment. They have furnished a certificate stating that their re-appointment, if made, will be within the limits laid down under Section 224(1B) of the Companies Act, 1956. The Board recommends their appointment as the Statutory Auditor of the Company.

INTERNAL AUDIT :

The company does not have an internal audit system commensurate with the size and nature of its business. However the company has its own internal control system which enables it from time to time to monitor employee adherence to internal procedure and external regulatory guidelines.

DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES :

There are no employees whose particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975, and as amended from time to time as remuneration, none of the employees is in excess of Rs.2, 00,000/- per month, if employed for the part of year or Rs.24,00,000/- per annum during the financial year 2011-12.

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, 2012, 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.

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

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required by section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of the particulars in the report of the Board of Directors) Rules, 1988 are given as Annexure A and forms part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement forms part of this Report and is annexed hereto.

DIRECTORS' REPORT

CORPORATE GOVERNANCE :

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges. 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.

COMPLIANCE CERTIFICATE :

The Company has obtained Compliance Certificate for the financial year 2011-12, pursuant to the provisions of Section 383A of the Companies Act, 1956 from a qualified Company Secretary in whole time practice. A copy of the same is attached to this report.

LISTING :

Your Company's shares are presently listed on the Stock Exchanges of Bombay, Bangalore, Ahmadabad, and Delhi. However there is no trading in Bangalore, Ahmedabad and Delhi, since the said stock exchanges are not providing any trading platform.

ACKNOWLEDGMENTS :

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**

Sd/-
P. K. Tyagi
Director

Sd/-
B. S. Raju
Whole Time Director

Place : Bangalore
Date : 13.08.2012

Annexure - A

INFORMATION UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

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 receipts and payments basis)*

PARTICULARS	(Rupees In Lakhs)	
	2011-12	2011-11
Foreign Exchange Earnings	0.00	0.00
Foreign Exchange Outgo	353.72	0.00

**By The Order of The Board
For Midwest Gold Limited**

Sd/- P. K. Tyagi Director	Sd/- B.S.Raju Whole Time Director
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Place : Bangalore
Date : 13.08.2012

FORM (See Rule 3)

COMPLIANCE CERTIFICATE

Registration Number : 08-011396.
Authorised capital : Rs. 20,00,00,000/-
Paid up capital : Rs. 3,27,00,000/-

To

The Members of

Midwest Gold Limited

(Formerly Nova Granites (India) Limited.)

I have examined the Registers, Records, Books and papers of M/s Midwest Gold Limited (Formerly Nova Granites (India) Limited) (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents. I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and rules made there under.
3. The Company being a public limited Company, the provisions of Section 3 (1) (iii) (b), (c) and (d) are not applicable to the Company.
4. The Board of Directors duly met 6 (Six) times respectively on 13.05.2011, 28.05.2011(Adjourned), 13.08.2011, 21.10.2011, 14.11.2011 and 25.01.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

FORM (See Rule 3)

COMPLIANCE CERTIFICATE

5. The Company has closed its Register of Members from 02nd September, 2011 to 05th September, 2011 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2011 was held on 20.09.2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. As per the explanations and clarifications provided, the Company has not advanced loans to its directors or persons or firms or companies referred to under section 295 of the Act during the year under review.
9. As per the explanations and clarifications given, the Company has not entered into contracts falling within the purview of section 297 of the Act during the year.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As per the explanations and clarifications provided by the management there were no instances falling within the purview of section 314 of the Act, and accordingly the Company has not required to obtain any approvals from the Board of Directors, Members or Central Government.
12. The Board of Directors or duly constituted Committee of Directors has not required to approved the issue of duplicate share certificates. as during the year under review the company has not issued any duplicate share certificates to its shareholders, However the Company has issued new share certificates to all share holders consequent to the change of name confirmed by the Bombay Stock Exchange.
13. The Company:
 - i. Has duly delivered all the certificates on lodgment thereof for transfer / transmission of securities or any other purpose in accordance with the provisions of the Act during the year.

FORM (See Rule 3)

COMPLIANCE CERTIFICATE

- ii. Has not deposited any amount in separate Bank Account as no dividend was declared during the financial year.
 - iii. Was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - iv. Has not transferred the amounts in unpaid dividend account, application money due for refund, matured debentures, matured deposits and the interest accrued thereon which have remained unclaimed or unpaid for a period of Seven years to Investor Education and Protection Fund – No such cases
 - v. Has duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the Company is duly constituted. One additional director who was retired at the annual general meeting held on 20.09.2011 has been re-appointed as non executive director and necessary form was filed with Registrar of Companies during the financial year.
15. There are no such instances falling under the provisions of Section 269 of the Act with regard to appointment of Managing Director/ Whole time Director/ Manager.
16. The Company has not appointed any sole selling agents during the financial year.
17. As per the clarifications and explanations provided to me, the Company is not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other authorities as prescribed under the various provisions of the Act during the for the year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and rules made there under.
19. The Company has not issued /allotted any shares/ debentures/ or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was/were no redemption of preference shares or debentures during the financial year.

FORM (See Rule 3)
COMPLIANCE CERTIFICATE

22. There were no transactions necessitating the Company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited or/accepted any public deposits pursuant to section 58A and 58AA, read with companies (Acceptance of Deposit) Rules 1975, including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not borrowed any money (ies) from the directors, members, public financial institutions, banks during the financial year. However it has borrowed from the Companies for its day to day operations which is not prejudicial to the interest of the Company.
25. The company has not made loans and investments, or given guarantees or provided securities to other bodies corporates. The Audit Committee has been duly constituted pursuant to Section 292A of Companies Act 1956.
26. The Company has altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was/were no prosecution initiated against or show cause notices received by the Company during the year.

FORM (See Rule 3)
COMPLIANCE CERTIFICATE

32. The Company has not received any amount as security from its employees during the year under certification as per the provisions of section 417(1) of the Act.

33. The Company has not constituted any provident fund for its employees pursuant to the provisions of Section 418 of the Act.

Place : Bangalore

Date : 13.08.2012

Name of the Company Secretary :

Sd/-

GOPAL DHANAJI

CPNo : 8415

M.NO. : 23226

Annexure - A

Statutory Registers as maintained by the Company

1. Register of Charges U/s 143
2. Register of Members U/s 150
3. Minute Books of Board Meetings and
4. Minute Books of General Meetings U/s 193
5. Register of particulars of contracts in which Directors are interested U/s 301
6. Register of Directors, Managing Director, Manager and Secretary U/s 303
7. Register of Directors Shareholding U/s 307

Annexure - B

Forms and Returns as filed by the Company with Registrar of Companies during the financial year ending 31st March 2012.

S. L No.	Form No/ Return	Under section	Description	Date of filing	Whether filed Within prescribed Time Yes/No	If delay in filing whether requisite Additional fee paid Yes/No
1.	Sch VI	220	Annual Reports for the year 2010 - 2011.	17-12-2011	No	Yes
2.	Sch V	159	Annual Return for the year 2010 - 2011.	20-12-2011	Yes	No
3.	Form 66	383 A	Compliance Certificate	20-10-2011	Yes	No
4.	Form 62	N. A	For submission of documents with the registrar of Companies	31-01-2012	Yes	No
5.	Form 32	303	Appointment of Director	20-10-2011	Yes	No
6.	Form 23 B	224 (1A)	Appointment of Auditor	23-11-2011	Yes	No
7.	Form 23 B	224 (1A)	Appointment of Auditor	23-11-2011	Yes	No

Place : Bangalore

Date : 13.08.2012

Name : Gopal Dhanaji
Practicing Company Secretary
C.P No. 8415
ACS No. 23226

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERVIEW :

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, 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.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS :

The products of the Company have a very costly and competitive in domestic as well as in overseas markets, which are confined to some rich countries only, coupled with that the demand for gold is heading scarce material globally. The competition in the International market has also increased to an alarming proportion. The company being aware of these fast developing scenarios is constantly striving to come up with suitable technological innovations and investments.

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.

SEGEMENT - WISE PERFORMANCE :

The Company has two segments one is gold and other is Granite and Marble. Hence the segmentwise disclosure was made under Accounting Standard 17 on Segment Reporting.

INTERNAL CONROL 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.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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 Turnover of Rs. 457.84 lacs when compared to Rs 148.38 lacs during the previous year. The operations of the Company resulted in a loss of Rs.11.12 lacs when compared to Rs.27.84 lacs before taxes during the previous year.

The major cause for the huge loss is on account of the high cost of goods sold, The Board is striving hard to improve the performance of the Company.

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

PERSONNEL :

Human wealth is the ultimate wealth in 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.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company believes in transparency, empowerment, accountability and integrity in its operations duly delegated authority to various functional heads that are responsible for attaining the corporate plans with the ultimate purpose of enhancement of "Stake holder value".

Moreover, the Company believes that sound Corporate Governance practices provide an important platform to assist the management and the Board in delivering its responsibilities. The Company has always been taking the spirit of various legislations as guiding principles and has done well beyond simple statutory compliance. The Board of directors of the company has responsibility of protecting the long term interests of all the stakeholders, while adhering to sound principles of corporate governance.

The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

2. BOARD OF DIRECTORS :

During the Financial year ended 31st March, 2012, Board of Directors met 6 (Six) times as mentioned below and gap between two Board meetings did not exceed four months. None of the Directors on the Board is a member in more than 10 committees and none of them act as Chairman of more than five committees across all companies in which he is a Director.

13.05.2011	28.05.2011	13.08.2011
21.10.2011	14.11.2011	25.01.2012

The attendance at the Board Meetings conducted during the 12 months period ended 31st March, 2012 and at the Annual General Meeting as also the number of Directorships and committee memberships (other than Midwest Gold Limited) are given below:

REPORT ON CORPORATE GOVERNANCE

Name of Director	Category	Designation	No. of Board Meetings Attended	Attendance at previous AGM	No. of Memberships in other companies (excluding private limited Companies)	
					Boards	Committees
K. Deepak	Promoter & Non-Executive	Director	4	Yes	—	—
P. K. Tyagi	Promoter & Non-Executive	Director	6	Yes	—	—
P. Harinadha Babu	Non-Executive, Independent	Independent Director	6	Yes	1	—
S. Radhakrishnan	Non-Executive, Independent	Independent Director	4	No	—	—
B. S. Raju	Whole Time Director	Whole Time Director	6	Yes	1	—
G. Nityanad	Non-Executive, Independent	Non-Executive, Independent	6	Yes	—	—

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 Clause 49 of the Listing Agreement, to the extent applicable and required.

Composition :

The audit Committee has been re constituted with new composition as follows

Shri G. Nityanand	-	Chairman
Shri S. Radhakrishnan	-	Member
Shri P. Harinadha Babu	-	Member

The terms of reference as per Clause 49 of the Listing Agreement are as follows

- a. To review the results and announcement and the report and accounts at the end of a quarter, half year and the full year before submission to the board, focusing particularly on:
 - (i) Any changes in accounting policies and practices.
 - (ii) Compliance with accepted accounting standards.

REPORT ON CORPORATE GOVERNANCE

- (iii) Compliance with the Listing and other Legal requirements
- (iii) Major Judgmental Decisions; etc.
- b. To consider appointment of Statutory Auditors, the Audit Fee, and any matter of resignation and dismissal.
- c. To discuss with the statutory Auditor, before the audit commences, the nature and scope of the Audit.
- d. To discuss problems and reservations arising from the statutory audit, and any matters the statutory auditor may wish to discuss.
- e. To consider other matters as may be delegated by the Board from time to time.

Powers of Audit Committee :

- To investigate any activity within its terms of reference.
- To seek information from any employee
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Meetings during the year :

During the Financial year ended 31st March, 2012, the Audit Committee met 5 times as follows, and all the members were present in each of such meetings.

13.05.2011	28.05.2011	25.01.2012
13.08.2011	14.11.2011	

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

4. REMUNERATION COMMITTEE :

Terms of Reference:

The terms of reference as per Clause 49 of the Listing Agreement is to determine and review the remuneration, performance, and related bonuses of Executive Director(s), if any.

REPORT ON CORPORATE GOVERNANCE

Composition :

During the year remuneration committee was reconstituted with following directors:

Shri G.Nityanand	-	Chairman
Shri S. Radhakrishnan	-	Member
Shri P. Harinadha Babu	-	Member

Remuneration paid to Directors during the financial year 2011 -2012 :

Executive Directors	:	NIL
Non - Executive Directors	:	NIL

No meeting of the remuneration committee was held during the financial year 2011-2012 since there was no remuneration paid to any director.

Shareholding of Non-Executive Director :

None of the Non-Executive Directors of the Company holds any shares in the Company except Mr. P. K. Tyagi.

5. SHAREHOLDERS / INVESTORS GRIEVANCE 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:

Shri G. Nityanand	-	Chairman
Shri B. S. Raju	-	Member
Shri P. Harinadha Babu	-	Member

There are no outstanding complaints as on 31st March 2012.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

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

REPORT ON CORPORATE GOVERNANCE

7. GENERAL BODY MEETINGS :

Venue and time where the last three AGMs held:

Year	AGM	Venue	Day & Date	Time
2009	19th	25-A, Attibele Industrial Area Attibele - 562 107, Bangalore district	Tuesday, 29th September, 2009	10:30 am
2010	20th	25-A, Attibele Industrial Area Attibele - 562 107, Bangalore district	Thursday, 30th September, 2010	10:30 am
2011	21st	25-A, Attibele Industrial Area Attibele - 562 107, Bangalore district	Tuesday, 20th September, 2011	11:30 am

Special Resolutions :

No Special Resolutions have been passed in the previous 3 AGM's. However the Postal Ballot Resolutions passed as detailed below:

Postal ballot:

1. Postal Ballot Notice Dated 25.01.2012

There were four items of business transacted by way of Postal Ballot during the financial year 2011-12, the shareholders of the Company passed two special resolutions and Two Ordinary Resolutions through postal ballot. Detailed procedure followed by the Company is provided hereunder:

The Board of Directors of the Company ("Board") in its meeting held on 25th January, 2012, sought the approval of the shareholders through postal ballot for the following items as:

Ordinary resolutions :

Item No. 1 :

Ordinary Resolution under Section 293 (1) (d) of The Companies Act, 1956 for enhancement of borrowing powers upto Rs. 50 Crores.

Item No. 2 :

Ordinary Resolution under Section 293(1) (a) of the Companies Act, 1956 to create mortgage and/or charge on movable and/or immovable properties of the company.

REPORT ON CORPORATE GOVERNANCE

Special resolutions :

Item No. 3 :

Special Resolution under Section 372A of the Companies Act, 1956 to give any guarantee(s)/provide any security (ies) in connection with loan(s) made to any Body / bodies Corporate as the Board may think fit, for the amount exceeding the limits specified in section 372A of the Companies Act, 1956.

Item No. 4 :

Special resolution under section 17, 146 (2), 192(A) and other applicable provisions of the Companies Act, 1956 read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011 and subject to confirmation of the Company Law Board for shifting of registered office of the company from the state of Karnataka to state of Andhra Pradesh.

2. The Notice of the Postal Ballot dated 25th January, 2012, Postal Ballot form and self-addressed stamped postage envelope were sent to the shareholders. The last date for receipt of the Postal Ballot form from the Shareholders was on or before 6th March, 2012.
3. Mr. Gopal Dhanaji, Company Secretary in Practice, Hyderabad submitted his report dated March, 07, 2012 with the Company and based on the said report, results of Postal Ballot were declared on 7th March, 2012 as under:

Item No.	No. of forms received	No. of Valid forms received	Total No. of Shares / votes	Votes cast in favour	Votes cast against	Remarks
1	11	10	2721795	2721795 (100%)	Nil	Passed as ordinary Resolution
2	11	10	2721795	2721795 (100%)	Nil	Passed as ordinary Resolution
3	11	10	2721795	2721795 (100%)	Nil	Passed as special Resolution
4	11	10	2721795	2721795 (100%)	Nil	Passed as special Resolution

REPORT ON CORPORATE GOVERNANCE

The Resolutions were approved by the complete majority of the shareholders. The results were also Informed to the Bombay Stock Exchange, other stock exchanges and Registrar of Companies, Bangalore.

8. 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.

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:

Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the clause

Pursuant to sub-clause VII of clause 49 of the listing agreement, the Company confirms that it has complied with all mandatory requirements prescribed.

9.

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

To

The Board of Directors

Midwest Gold Limited

(Formerly Nova Granites (India) Limited)

We, B S Raju, Whole time Director and P K Tyagi, Director, 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 2011-12 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. To the best of our knowledge and belief, no transactions entered into by the Bank during the year 2011-12 which are fraudulent, illegal or violative of the Bank'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.

Sd/
P. K. Tyagi
Director

Sd/-
B. S. Raju
Whole Time Director

Date : 13.08.2012

Place : Bangalore

REPORT ON CORPORATE GOVERNANCE

10. GENERAL SHAREHOLDER INFORMATION :

Annual General Meeting :

Day, Date and time	: 25th Day of September, 2012 at 11.30 A.M
Venue	: 25-A, Attibele Industrial Area, Attibele -562 107 Bangalore district
Book Closure Date	: 18.09.2012 to 20.09.2012 (Both days inclusive)
Dividend	: No dividend is recommended for the year.
Listing on Stock Exchanges	: The shares of the company are listed on: Bombay Stock Exchange Limited The Bangalore Stock Exchange Limited The Ahmadabad Stock Exchange Limited The Delhi Stock Exchange Limited
Stock Code	: BSE - 526570 BgSE - NVG ASE - 41019 DSE - 6771
Market Price Data	: 22.85

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, 2337 0295

Fax: + 91 40 2337 0295

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.

Issue of Equity Shares : Nil

REPORT ON CORPORATE GOVERNANCE

DISTRIBUTION OF HOLDINGS AS ON 31.03.2012

Shares or Debenture holding of nominal value of	Share / Debenture Holders		Share / Debenture Amount	
	Number	Total %	In Rs.	Total %
(1)	(2)	(3)	(4)	(5)
Upto - 5,000	6869	99.55072	18,04,610	5.51869
5,001 - 10,000	9	0.13043	6,50,110	1.98810
10,001 - 20,000	7	0.10145	10,24,130	3.13190
20,001 - 30,000	3	0.04348	7,06,220	2.15969
30,001 - 40,000	9	0.13043	31,14,930	9.52578
40,001 - 50,000	0	0.00000	0	0.00000
50,001 - 1,00,000	0	0.00000	0	0.00000
1,00,001 - 9,99,99,999	3	0.04348	2,54,00,000	77.67584
TOTAL	6900	100.00	32700000	100.00

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.

11. Share Capital Audit :

A qualified practicing Company Secretary carries out Share Capital Audit 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.

Address for Correspondence :

Plant Locations : 25-A, Attibele Industrial Area,
Attibele -562 107, Bangalore,district.

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

REPORT ON CORPORATE GOVERNANCE

Nomination Facility :

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company the prescribed Form 2B for this purpose.

12. 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.

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 2011-12.

Sd/-
P.K. Tyagi
Director

Sd/-
B. S. Raju
Whole Time Director

Place : Bangalore
Date : 13.08.2012

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 MIDWEST GOLD LIMITED (Formerly NOVA GRANITES (INDIA) LIMITED) for the year ended 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges.

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 agreement.

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

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

For G. L. Kothari & Co.
Chartered Accountants

Sd/-
G. L. Kothari Proprietor
M. No. 25481

Place : Bangalore

Date : 13.08.2012

AUDITORS' REPORT

To,

The Members of

MIDWEST GOLD LIMITED

(formerly NOVA GRANITES (INDIA) LIMITED)

We have audited the attached Balance sheet of MIDWEST GOLD LIMITED (formerly NOVA GRANITES (INDIA) LIMITED) as at 31st March 2012 and also the Profit & Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report as follows :

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India, in terms of section 227 (4A) of the Companies Act, 1956, We enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to above, we report that: -
 - a. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - b. In our opinion, the Company has kept proper books of accounts as required by Law so far as appears from our examination of such books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

AUDITORS' REPORT

- d. In our Opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
- e. On the basis of written representations received from all the Directors of the Company as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors of the company are disqualified from being appointed as Directors of the Company under clause (g) of sub-section (1) of section 274 of Companies Act, 1956.
- f. The Company's rehabilitation scheme has been approved by the BIFR and the implementation of the same has been done. Accordingly, these accounts have been prepared under going concern assumption. We have relied upon management assessment on such assumption.
- g. Subject to the foregoing, in our opinion and to the best of our information & according to the explanation given to us, the said accounts read with the schedule to the notes (Schedule - "1 & 2") give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the Accounting principles generally accepted in India: -
- a. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2012
- b. In the Case of the Profit & Loss Account, of the Loss for the year ended on that date: and
- c. In the case of Cash Flow Statement, of the cash Flows for the year ended on that date.

For **G.L.KOTHARI & Co.,**
CHARTERED ACCOUNTANTS

G. L. KOTHARI
PROPRIETOR
M. No. 25481
(Firm Registration No. 001445 S)

PLACE : Bangalore
DATE : 13/08/2012

Annexure to the Auditors' Report

Referred to in paragraph 1 of our report

1. In respect of Fixed Assets :

- (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 not reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification. However, necessary records in support of the said statement have not been made available to us.
- (c) The Company has not disposed off any substantial part of the fixed assets during the current year.

2. In respect of Inventories :

- (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)** 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 301 of the Companies Act, 1956.

(b) According to the information and explanations given to us, the company has not taken any loans secured or unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

Annexure to the Auditors' Report

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - (a) According to the information and explanations given to us, we are of the opinion that the transaction that need to be entered in the register maintained u/s 301 of the Companies Act, 1956 have been entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions during the year made in pursuance of the contract or arrangements with the parties referred to in (a) above, and exceeding the value of Rs. 5.00 Lakhs in each case. The rates charged / paid were not comparable as no such transaction was made with any other party for such material.
6. In our opinion and according to the information and as per the explanations given to us, the Company has not accepted deposits from the public during the year under consideration and the Company Law Board has not passed any orders against the Company for any contravention under Sections 58A & 58AA of the Companies Act.
7. In our opinion, the Company does not have an internal audit system commensurate with the size and the nature of its business.
8. As informed to us, in respect of this Company, maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956.
9. 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, Customs Duty, Excise Duty, 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, 2012 for a period of more than six months from the date on which they become payable.

Annexure to the Auditors' Report

10. According to the records of the Company, Income tax, Sales tax, Wealth Tax, Customs Duty, Excise Duty and cess, which have not been deposited on account of dispute, are given below.

Nature of the Statute	Amount Unpaid (Rs. In Lakhs)	Year to which it relates	Forum where dispute is pending
Custom Duty	15.01	2001 - 2002	Directorate General of Central Excise Intelligence.

11. The accumulated losses at the end of the financial year are more than 100% of its net worth. The Company has incurred cash loss during the current financial year 2011-12. The Company total capital is Rs. 3,27,00,000/- against total accumulated losses of Rs. 6,80,13,720/-.
12. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
13. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion and according to the information and as per the explanations given to us, the provisions of any special statute applicable to chit funds are not applicable to the Company.
15. In our opinion and according to the information and as per the explanations given to us, the Company is not dealing in or trading in Shares, Securities, debentures and other investment.
16. In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or Financial Institutions are not prejudicial to the interest of the Company.
17. In our opinion and to the best of our information and as per the records of the Company, the Company had not borrowed any Term Loans during the year under consideration.
18. According to the Cash flow statement and records examined by us and according to the information and explanations given to us, on overall basis, funds raised on short term basis, prima facie, not been used during the year for long term investment and vice versa.

Annexure to the Auditors' Report

19. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained U/s 301 of the Companies Act, 1956.
20. The Company has not issued any debentures during the year and therefore the question of creating security in respect there of does not arise.
21. The Company has not made any Public issues during the year and therefore the question of disclosing the end use of money does not arise.
22. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **G.L.KOTHARI & Co.,**
CHARTERED ACCOUNTANTS
(Registration No.001445 S)

G. L. KOTHARI
PROPRIETOR
M. No. 25481

PLACE : Bangalore
DATE : 13/08/2012

MIDWEST GOLD LIMITED
(formerly NOVA GRANITES (INDIA) LIMITED)
BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes	31 March,2012 Rs	31 March,2011 Rs
Equity and Liabilities			
Shareholders' funds			
Share capital	3	32,700,000	32,700,000
Reserves and Surplus	4	(29,999,360)	(29,184,575)
		2,700,640	3,515,425
Non -Current Liabilities			
Long-term borrowings		—	—
Trade Payables		—	—
Other Long Term Liabilities		—	—
Long Term Provisions	5	45,189	—
		45,189	—
Current Liabilities			
Short-term borrowings		—	—
Trade Payables	6	14,114,795	13,808,042
Other Current Liabilities	7	156,846,522	146,400,219
Short-term provisions	8	35,240	—
		170,996,557	160,208,261
TOTAL		173,742,386	163,723,686
Assets			
Non-current Assets			
Fixed assets		—	—
Tangible assets	9	56,241,329	56,847,762
Deferred tax asset (net)	10	35,430,824	35,134,082
Long-term loans and advances	11	4,034,223	4,024,548
Trade Receivables		—	—
Other non-current assets		—	—
		95,706,376	96,006,392
Current assets			
Current investments		—	—
Inventories	12	21,901,572	21,901,572
Trade receivables	13	44,511,045	44,511,045
Cash and bank balances	14	827,565	827,565
Short-term loans and advances	15	10,795,828	10,795,828
Other current assets		—	—
		78,036,010	67,717,294
TOTAL		173,742,386	163,723,686

Summary of significant accounting policies & Notes to Accounts 1 & 2.

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

For & on behalf of the Board of directors

Sd/-
C.A.G. L. KOTHARI
PROPRIETOR
M. No. 025481

Sd/-
P.K. Tyagi
Director

Sd/-
B.S. Raju
Whole Time Director

Place : Bangalore
Date : 13/08/2012

MIDWEST GOLD LIMITED
(formerly NOVA GRANITES (INDIA) LIMITED)
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Notes	31st, March 2012 Rs.	31st, March 2011 Rs.
Continuing operations			
Income			
Revenue from operations	16	45,606,431	14,608,975
		45,606,431	14,608,975
Other Income	17	177,749	229,179
Total Revenue (I)		45,784,180	14,838,154
Expences			
Cost of raw material and components consumed	18	—	471,150
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	19	(5,033,966)	(357,588)
Purchashe of traded goods	20	47,379,552	13,470,171
Employee benefits expense	21	823,518	724,438
Other expenses	22	2,911,347	2,639,913
Exceptional items		—	—
Total (II)		46,080,451	16,948,084
Earnings before interest, tax, depreciation and amotization (EBITDA) (I) - (II)		(296,271)	(2,109,930)
Depreciation and amortization expense	23	606,433	603,539
Less: recoupment from revaluation reserve		—	—
Net Depreciation and amortization expense		606,433	603,539
Finance costs	24	208,823	70,436
Profit/(Loss) before tax		(1,111,527)	(2,783,905)
Tax expenses		—	—
current tax		—	—
deferred tax		296,742	610,327
Total tax expense		296,742	610,327
Profit/(Loss) for the year from continuing operations(A)		(814,785)	(3,394,232)
Earnings per equity share (nominal value of share Rs.10/- (31 march, 2011 : Rs. 10/-)			
Basic			
Computed on the basis of profit/(loss) from continuing operations		(0.25)	(1.04)
Computed on the basis of total profit/(loss) for the year	25	(0.25)	(1.04)
Diluted			
Computed on the basis of profit/(loss) from continuing operations		(0.25)	(1.04)
Computed on the basis of total profit/(loss) for the year		(0.25)	(1.04)
Summary of significant accounting policies & Notes to Accounts 1 & 2			

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

For & on behalf of the Board of directors

Sd/-
CA G. L. KOTHARI
PROPRIETOR
M.No. 025481

Sd/-
P.K. Tyagi
Director

Sd/-
B.S. Raju
Whole Time Director

Place : Bangalore
Date : 13/08/2012

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2012.

1. 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

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provision of the companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2 (A) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised schedule VI notified under the Companies Act 1956 has become applicable to the company, for preparation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year. For further details, refer note 36.

B. The Accounts are prepared on a historical cost convention; all the expenses and income to the extent considered payable and receivable, unless stated otherwise, have been accounted for on accrual basis.

**ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
FORMING PART OF THE ACCOUNTS FOR THE YEAR
ENDED 31st MARCH, 2012.**

II FIXED ASSETS AND DEPRECIATION :

1. Fixed Assets are Stated at Cost less Depreciation.
2. Depreciation on all Assets, other than leasehold Land / free hold quarry Land is provided on straight line method in accordance with the provision of schedule XIV of the Companies Act, 1956.
3. Depreciation on Free Hold Quarry land has been provided taking economic life of the quarries on 20 Years. In case of abandoning a quarry the remaining book value will be written off in the year it is abandoned.
4. Depreciation on the Fixed Assets added during the year has been provided with reference to the date of acquisition thereof.

III VALUATION OF INVENTORIES ARE MADE AS UNDER

1. Raw Material - At Cost (Weighted Average)
2. Stores & Spares - At Cost (FIFO)
3. Consumables - At Cost (FIFO)
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

1. 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 within the period of Ten Years, the Same shall be written off in that year.

**ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
FORMING PART OF THE ACCOUNTS FOR THE YEAR
ENDED 31st MARCH, 2012.**

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 BENEFITS 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.

Short Term Employee Benefits.

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

**ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
FORMING PART OF THE ACCOUNTS FOR THE YEAR
ENDED 31st MARCH, 2012.**

BUSINESS SEGMENTS

The Company has Two reportable business segments and one geographical segment under Accounting Standard 17 on Segment Reporting.

Reporting of segment wise Revenue, Results & Capital Employed

Particulars	Gold	Granite	Others	Gold	Granite	Others	Total	Total
	2011 -12	& Marble 2011 -12	2011 -12	2010 -11	& Marble 2010 -11	2010 -11	2011 -12	2010 -11
Segment Revenue								
Net Sale/income from each segment								
Trading	0.00	456.06	0.00	75.85	61.98	0.00	456.06	137.83
Manufacturing	0.00	0.00	0.00	0.00	8.26	0.00	0.00	8.26
Increase/(Decrease) in Stock	0.00	50.34	0.00	0.00	-1.11	0.00	50.34	-1.11
Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	0.00	506.40	0.00	75.85	69.13	0.00	506.40	144.98
Segment Results	0.00	-10.45	0.00	0.99	-31.09	0.00	-10.45	-30.10
Interest Income	0.00	1.78	0.00	0.99	0.00	2.29	1.78	2.29
Interest Expenses	0.00	2.09	0.00	0.99	0.03	0.00	2.09	0.03
Profit before Extraordinary Item & Tax	0.00	-10.76	0.00	0.99	-31.06	2.29	-10.76	-27.84
Profit /(Loss) before Tax	0.00	-10.76	0.00	0.99	-31.06	2.29	-10.76	-27.84
Provision for Taxation	0.00	0.00	0.00	0.99	0.00	0.00	0.00	0.00
Profit /(Loss) After Tax	0.00	-10.76	0.00	0.99	-31.06	2.29	-10.76	-27.84
Segment Assets	0.00	1737.42	0.00	0.00	2660.57	0.00	1737.42	2660.57
Segment Liabilities	0.00	1737.42	0.00	0.00	2660.57	0.00	1737.42	2660.57
Depreciation & amortization	0.00	6.06	0.00	0.00	6.03	0.00	6.06	6.03
Non cash Expenses other than Depreciation & amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
FORMING PART OF THE ACCOUNTS FOR THE YEAR
ENDED 31st MARCH, 2012.**

VIII RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development expenditure of revenue nature are charged to the Profit 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 attached
For **G.L. KOTHARI & CO.**
CHARTERED ACCOUNTANTS

For and on behalf of the
Board of Directors

G. L. KOTHARI
Proprietor
M. No. 25481

P K Tyagi
Director

B.S.Raju
Whole Time Director

Place : Bangalore
Date : 13/08/2012

MIDWEST GOLD LIMITED (Formerly Nova Granites (India) Limited)
Notes to Financial Statements for the year ended 31st March, 2012

		31st, March,2012		31st, March,2011	
			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		3,27,00,000		3,27,00,000
			3,27,00,000		3,27,00,000
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period Equity Shares					
	At the beginning of the period	32,70,000	3,27,00,000	32,70,000	3,27,00,000
	Issued During the period	-	-	-	-
	Outstanding at the end of the period	32,70,000	3,27,00,000	32,70,000	3,27,00,000
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	22,75,000	2,27,50,000	22,75,000	2,27,50,000
d. Details of Shareholders holding more than 5% shares in the company					
	Equity Shares of Rs. 10/- each fully paid				
	Midwest Granite Pvt. Ltd	22,75,000	69.57 %	22,75,000	69.57 %
			69.57 %	22,75,000	69.57 %
4	Reserves and Surplus				
	Capital Reserve		3,80,14,360		3,80,14,360
	Represents the cessation of liability on one time settlement of Term. 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				
			3,80,14,360		3,80,14,360
	Surplus/(deficit) in the statement of Profit & loss				
	Balance as per last financial statements		(6,71,98,935)		(6,38,04,703)
	Profit / (Loss) for the year		(8,14,785)		(33,94,232)
	Net surplus/(deficit) in the statement of Profit & loss		(6,80,13,720)		(6,71,98,935)
	Total reserves and surplus		(2,99,99,360)		(2,91,84,575)

MIDWEST GOLD LIMITED (Formerly Nova Granites (India) Limited)
Notes to Financial Statements for the year ended 31st March, 2012

		31st, March,2012		31st, March,2011	
			Rs.		Rs.
5	Long-term provisions				
	Provision for employee benefits				
	Provision for gratuity		45,189		
			45,189		
6	Current Liabilities				
	Trade payables (including acceptances)		1,41,14,795		1,38,08,042
			1,41,14,795		1,38,08,042
7	Other current liabilities				
	Advance Received Against Sale of Quarry		1,50,000		1,50,000
	Advance from Related Parties - Against Supplies		13,98,02,892		14,11,69,788
	Advance from Customers		1,64,52,201		39,86,300
			15,64,05,093		14,53,06,088
	Others				
	TDS payable		19,111		24,250
	Professional Tax payable		200		2,680
	Vat Output Tax Payable		2,88,153		8,47,383
	Outstanding Liabilities		1,33,965		2,19,818
			4,41,429		10,94,131
			15,68,46,522		14,64,00,219
8	Short-term provisions				
	Provision for employee benefits				
	Provision for Bonus		19,574		
	Provision for Leave Salary		15,666		
			35,240		

MIDWEST GOLD LIMITED

(Formerly Nova Granites (India) Limited)

Notes to Financial Statements for the year ended 31 March 2012

9. Fixed Assets

PARTICULARS	GROSS CARRYING VALUE						DEPRECIATION				NET CARRYING VALUE	
	As at Beginning of the reporting Period	Additions	Acquisitions thro -high business com -binations separately	Disposal	As at end of the reporting	Rate of Depn.	Up to Last Year	For the Year	with drawn	TOTAL	As at End of the reporting period	As at Beginning of the reporting period
Tangible Assets	--	--	--	--	..	--	--	--	--	--	--	--
Leasehold Land	10,037,981	--	--	--	10,037,981	--	--	--	--	--	10,037,981	10,037,981
Free Hold Quarry Land	1,017,637	--	--	--	1,017,637	5.00	824,608	50,882	--	875,490	142,147	193,029
Building -Office	1,353,352	--	--	--	1,353,352	1.63	290,611	22,060	--	312,671	1,040,681	1,062,741
Building -Factory	13,890,606	--	--	--	13,890,606	3.34	7,302,688	463,946	--	7,766,634	6,123,972	6,587,918
Temporary Shed	35,010	--	--	--	35,010	--	35,010	--	--	35,010	--	--
Plant & Equipment	131,807,528	--	--	--	131,807,528	4.75	93,075,054	--	--	93,075,054	38,732,474	38,732,474
Furniture & Fixtures	957,481	--	--	--	957,481	6.33	957,481	--	--	957,481	--	--
Vehicles	1,383,110	--	--	--	1,383,110	9.50	1,383,110	--	--	1,383,110	--	--
Computer	750,725	--	--	--	750,725	16.21	733,553	2,901	--	736,454	14,271	17,172
Office Equipment	1,052,823	--	--	--	1,052,823	6.33	836,376	66,644	--	903,020	149,803	216,447
Total	162,286,253	--	--	--	162,286,253		105,438,491	606,433	--	106,044,924	56,241,329	56,847,762
Previous Year -Tangible	162,268,354	17,899	--	--	162,286,253		104,834,952	603,539	--	105,438,491	56,847,762	56,847,762

MIDWEST GOLD LIMITED (Formerly Nova Granites (India) Limited)
Notes to Financial Statements for the year ended 31st March, 2012

		31st, March,2012	31st, March,2011
		Rs.	Rs.
10	Deferred tax assets/liability (Net)		
	Deferred tax liability		
	Fixed assets: Impact of difference between tax	1,16,89,588	1,18,18,414
	Gross deferred tax liability	1,16,89,588	1,18,18,414
	Deferred tax asset		
	Prepaid Insurance	-	154
	Brought forward Business Loss	2,14,62,178	2,13,52,670
	Brought forward Depreciation Loss	2,56,58,234	2,55,99,672
	Gross deferred tax asset	4,71,20,412	4,69,52,496
	Net deferred tax asset	3,54,30,824	3,51,34,082
11	Long-term Loans and advances		
	Deposit -(Unsecured considered good)	40,34,223	40,24,548
		40,34,223	40,24,548
12	Inventories		
	Raw materials and components - Valued at Weighted Average	87,83,212	87,83,212
	Finished goods - Valued at Lower of cost or net realizable value	50,32,076	50,32,076
	Traded goods - Valued at Lower of cost or net realizable value	54,82,082	4,48,116
	Consumables, Stores and spares - Valued At Cost (FIFO)	25,94,224	25,94,224
	Packing Material - Valued At Cost (FIFO)	9,978	9,978
		2,19,01,572	1,68,67,606
13	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	3,88,156	1,92,80,102
	Doubtful	3,99,73,399	2,07,89,687
	(A)	4,03,61,555	4,00,69,789
	Trade recivables outstanding for a period less than six months from the date they are due for payment		
	Unsecured, considered good	41,49,490	20,01,958
	(B)	41,49,490	20,01,958
	TOTAL (A) + (B)	4,45,11,045	4,20,71,747

MIDWEST GOLD LIMITED (Formerly Nova Granites (India) Limited)
Notes to Financial Statements for the year ended 31st March, 2012

		31st, March,2012		31st, March,2011	
			Rs.		Rs.
14	Cash and cash equivalents				
	Balance with Banks				
	On current accounts		1,10,258		6,67,719
	Deposits with original maturity for more than 12 months		1,62,000		1,62,000
	Margin money deposit		-		1,02,000
	Cash on hand		5,55,307		13,642
			8,27,565		9,45,361
15	Short-term Loans and advances				
	Advance Against Suppliers/Expenses				
	Unsecured considered good		3,01,767		359
	Doubtful		21,82,038		23,82,038
	(A)		24,83,805		23,82,397
	Other loans and advances				
	Prepaid expenses- Secured considered good		22,905		23,105
	Income Tax Refund Due -Secured considered good		87,885		87,885
	Others -doubtful		36,29,170		36,41,170
	With Government authorities - Secured considered good		45,24,155		16,64,630
	(B)		82,64,115		54,16,790
	TOTAL (A) + (B)		1,07,47,920		77,99,187
	Others				
	Interest accrued on fixed deposits		47,908		33,393
	(C)		47,908		33,393
	TOTAL (A) + (B) + (C)		1,07,95,828		78,32,580
16	Revenue from operations				
					8,25,855
			4,56,06,431		1,37,83,120
			4,56,06,431		1,46,08,975
	Details of products sold				
	Finished goods sold				
	Granite Slabs				8,25,855
					8,25,855

MIDWEST GOLD LIMITED (Formerly Nova Granites (India) Limited)
Notes to Financial Statements for the year ended 31st March, 2012

		31st, March,2012		31st, March,2011	
			Rs.		Rs.
	Traded goods sold				
	Marble		4,56,06,431		61,97,920
	Gold		-		75,85,200
			4,56,06,431		1,37,83,120
17	Other Income				
	Interest income on				
	Bank deposits		15,321		66,751
	Others		1,62,428		1,62,428
			1,77,749		2,29,179
18	Cost of raw material and components consumed				
	Inventory at the beginning of the year		1,13,87,414		1,18,55,904
	Add: Purchases		-		2,660
			1,13,87,414		1,18,58,564
	Less : Inventory at the end of the year		1,13,87,414		1,13,87,414
	Cost of raw material and components Consumed		-		4,71,150
	Details of raw material & Components consumed				
	Granite Blocks		-		4,71,150
					4,71,150
	Details of inventory				
	Granite Blocks		87,83,212		87,83,212
	Mechanical Spares		11,65,061		11,65,061
	Electrical Spares		1,01,573		1,01,573
	Consumables		12,02,793		12,02,793
	Tools, Plumbing, Welding,DG Sets & General Items		1,24,797		1,24,797
	Packing Material		9,978		9,978
			1,13,87,414		1,13,87,414
19	(Increase)/decrease in inventories		Increase		Decrease
	Inventories at the end of the year		2012		2011
	Traded goods		54,82,082		4,48,116 (50,33,966)
	Work-in-progress		-		-
	Finished goods		50,32,076		50,32,076 -
			1,05,14,158		54,80,192 (50,33,966)

MIDWEST GOLD LIMITED (Formerly Nova Granites (India) Limited)
Notes to Financial Statements for the year ended 31st March, 2012

		31st, March,2012		31st, March,2011	
			Rs.		Rs.
	Inventories at the beginning of the year				
	Traded goods	4,48,116			
	Work-in-progress	-			
	Finished goods	50,32,076			
		54,80,192			
20	Details of purchase of traded goods				
	Marble Slabs	4,73,72,321		59,84,071	
	Granite Slabs	7,231		-	
	Gold	-		74,86,100	
		4,73,79,552		1,34,70,171	
	Details of Inventory				
	Traded goods				
	Marble Slabs	54,74,851		4,48,116	
	Granite Slabs	7,231		-	
		54,82,082		4,48,116	
	Finished goods				
	Marble Slabs	34,28,371		34,28,371	
	Granite Slabs	15,37,159		15,37,159	
	Artificial Stone	66,546		66,546	
		50,32,076		50,32,076	
21	Employee benefit expense				
	Salaries, wages and bonus	6,92,976		6,70,710	
	Bonus	19,574		-	
	Leave Salary	15,666		-	
	Gratuity expense	45,189		-	
	Staff welfare expenses	50,113		53,728	
		8,23,518		7,24,438	

MIDWEST GOLD LIMITED (Formerly Nova Granites (India) Limited)
Notes to Financial Statements for the year ended 31st March, 2012

		31st, March,2012		31st, March,2011	
			Rs.		Rs.
22	Other expenses				
	Power and fuel		4,38,339		4,91,559
	Water charges		52,688		46,492
	Freight and forwarding charges		1,910		11,670
	Rent		1,20,000		-
	Rates and taxes		1,16,070		2,61,549
	Insurance		499		1,099
	Repairs and maintenance				
	Plant and machinery		-		1,950
	Others		24,813		18,928
	Advertising and sales promotion		1,65,380		80,475
	Travelling and conveyance		85,504		99,470
	Communication costs		2,21,840		1,57,909
	Printing and stationery		29,935		1,51,553
	Legal and professional fees		9,02,753		2,43,233
	Payment to auditor		82,725		82,725
	Security Charges		3,13,893		3,12,746
	Bad debts/advances written off		-		18,888
	Quarry Lease Application fee		-		10,000
	Penalty		-		4,80,000
	Prior Period Expenses		61,401		62,570
	AGM Expenses		-		741
	Listing fee		25,000		38,605
	Sales Tax /Entry Tax		23,448		18,415
	Service Tax		2,13,075		2,515
	Miscellaneous expenses		32,074		40,031
	Fluctuation Loss		-		6,790
			29,11,347		26,39,913

MIDWEST GOLD LIMITED (Formerly Nova Granites (India) Limited)
Notes to Financial Statements for the year ended 31st March, 2012

	31st, March,2012		31st, March,2011	
		Rs.		Rs.
Payment to auditor				
As auditor:				
Audit fee		60,000		60,000
Tax audit fee		15,000		15,000
Limited review		22,060		38,605
In other capacity:				
Taxation matters		13,236		-
Other service (Certification fees)		16,545		34,193
		1,26,841		1,47,798
23 Depreciation and amortization expense				
Depreciation of tangible assets		6,06,433		6,03,539
		6,06,433		6,03,539
24 Finance costs				
Interest		4,238		2,569
Bank charges		2,04,585		67,867
		2,08,823		70,436
25 Earnings per share(EPS)				
Total operations for the year				
Profit/(loss) before tax		(11,11,527)		(27,83,905)
Add/(less) : Provision for deferred tax		2,96,742		6,10,327
Profit/(loss) after tax		(8,14,785)		(33,94,232)
Net profit/(loss) for calculation of basic EPS		(0.25)		(1.04)

MIDWEST GOLD LIMITED

Cash flow statement for the year ended 31st March,2012

	31st, March 2012 Rs.	31st, March 2011 Rs.
Cash flow from operating activities		
Loss from continuing operations	(11.11)	(27.84)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	6.06	6.03
Interest Expense	0.04	0.03
Interest Income	(1.78)	(2.29)
Decrease/(Increase) in trade payables	3.07	0.61
Increase/(decrease) in long-term provisions	0.45	-
Increase/(decrease) in short-term provisions	0.35	-
Increase/(decrease) in other current liabilities	104.46	(5.02)
Decrease/(Increase) in trade receivables	(24.39)	33.05
Decrease/(Increase) in trade inventories	(50.34)	1.11
Decrease(Increase) in long-term loans and advances	(0.10)	(1.96)
Decrease (Increase) in short-term loans and advances	(29.63)	(4.47)
Net cash flow from/(used in) operating activities (A)	(2.92)	(0.75)
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and Interest received	1.78	(0.18) 2.29
Net cash flow from/(used in) investing activities (B)	1.78	2.11
Cash flows from financing activities		
Interest paid	(0.04)	(0.03)
Net Cash flow from/(used in) financing activities (C)	- 0.04	- 0.03
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1.18)	1.33
Cash and cash equivalents at the beginning of the year	9.45	8.12
Cash and cash equivalents at the end of the year	8.27	9.45
Components of cash and cash equivalents		
Cash on hand	5.55	0.13
Cheques /drafts on hand		
With banks -on current account	1.10	6.68
- on deposit account	1.62	2.64
Total cash and cash equivalents (note 18)	8.27	9.45

MIDWEST GOLD LIMITED
Cash flow statement for the year ended 31st March,2012

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.

Place : Bangalore

Date : 13/08/2012

For & on behalf of the Board of Directors

Sd/-

P.K Tyagi

Director

Sd/-

B.S Raju

Whole Time Director

AUDITORS CERTIFICATE

We have verified the above Cash Flow Statement of:

MIDWEST GOLD LIMITED, (Formerly NOVA GRANITES (INDIA) LIMITED) derived from the annual financial statements for the year ended March 31, 2012 and found the same to be drawn in accordance therewith and also with the requirements of clause 32 of the listing agreements with the stock exchange.

For **G. L. KOTHARI & COMPANY**
CHARTERED ACCOUNTANTS

Sd/-

CAG. L.KOTHARI

Proprietor

M.No.25481

MIDWEST GOLD LIMITED

(Formerly Nova Granites (India) Limited)

Regd Off: 25-A, Attibele Industrial Aria, Attibele – 562 107 Bangalore District

PROXY FORM

Regd. Folio No. : No. of Shares Held :

I/We
of in the District of
..... being a member/members of the
above named company hereby appointof
..... in the District of
..... as my/our Proxy to attend
and to vote for me/us on my/our behalf at the 22nd Annual General Meeting of the
Company to be held on – 25.09.2012 at 11.30 A.M. at 25-A, Attibele Industrial Aria,
Attibele – 562 107 Bangalore District and at any adjournment thereof.

Signed this day of Two Thousand Twelve

Affix Revenue Stamp

Note: This Proxy Form duly completed should be deposited at the Registered Office of
the Company not less the 48 (Forty Eight) hours before the time fixed for
holding the meeting.

MIDWEST GOLD LIMITED

(Formerly Nova Granites (India) Limited)

Regd Off: 25-A, Attibele Industrial Aria, Attibele – 562 107 Bangalore District

ATTENDANCE SLIP

(Please present this slip at the Meeting Venue)
22nd ANNUAL GENERAL MEETING

Regd. Folio No. : No. of Shares Held :

I hereby record my presence at the 22nd ANNUAL GENERAL MEETING of the members
of the Company held on 25.09.2012 at 11.30 A.M. at 25-A, Attibele Industrial Aria,
Attibele – 562 107 Bangalore District

Name of the Shareholder :

Name of the Proxy :

Signature of Member / Proxy :

BOOK - POST

If Undelivered, please return to :

MIDWEST GOLD LIMITED

(Formerly : Nova Granites (India) Limited)

25-A, Attibele Industrial Area

Attibele - 562 107

Bangalore District, Bangalore.