

MODI UDYOG LIMITED

**ANNUAL REPORT
2008-2009**

Forward Looking Statement

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and the underlying assumptions undergoing change. Should known or unknown risks or uncertainties materialize, or should underlying assumptions not materialize, actual results could vary materially from those anticipated, estimated or projected. Shareholders and Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Corporate Information

BOARD OF DIRECTORS

Mr. Ramakanta Barik

Mr. Rajesh Kumar Agarwal

Mr. Mukesh Kumar Kakra

Chairman Cum Executive Director

Non Executive/ Independent Director

Non Executive/ Independent Director

COMPLIANCE OFFICER

Mr. Rajesh Kumar Agarwal

AUDITORS

Kyal & Associates

Chartered Accountants

Rambagan, 26 Dr's Colony, P.O. Soarsole

Rajbari 713358, Raniganj

Burdwan

BANKERS

Punjab National Bank

REGISTERED OFFICE

91, N.S. Road, 3rd Floor

Kolkata 700001

Notice

Notice is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the Members of M/s. **Modi Udyog Limited** will be held at the Registered office of the Company at 91, N.S. Road, 3rd Floor, Kolkata 700001 on 29th August, 2009 at 2:30 p.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts of the company for the year ended 31st March, 2009 and the profit and loss account for the year ended on that date and the Directors and Auditors thereon.
2. To consider the Appointment of M/s. KYAL & ASSOCIATES Chartered Accountant as the Auditors of the Company from the conclusion of the Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.
3. To appoint secretarial Auditor who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

By Order of the Board of Directors
For Modi Udyog Limited
Sd/-
Chairman

Date : 30/06/2009

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY..**

Proxies in order to be effective must read the company's registered office at least 48 hours before the time of meeting.

2. The member are requested to bring their copies of the Director's report and Annual Account of the Company.

Director's Reports

DIRECTORS REPORT

TO
THE MEMBERS

Your Directors have pleasure to presenting before you the 27th statement of account along with the Auditors Report there on.

FINANCIAL RESULT

The financial position is summarized as below:

<u>PARTICULARS</u>	<u>Current Year</u>	<u>Previous Year</u>
Profit before Taxation	2086	2610
Less: Provision for Taxation	645	806
Profit after Tax	1440	1804
Profit / (Loss) Brought Forward	(6,38,287)	(6,40,091)
Profit / (Loss) Carried to Next Year	(6,36,847)	(6,40,091)

DIVIDEND

In the absence of sufficient profit the directors are unable to recommended any dividend for the year.

FOREIGN EXCHANGE EARNING AND OUT GO : NIL

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT & TECHNOLOGY ABSORPTION:

Particulars regarding conservation of energy research development and technology absorption are not furnished, as the same or not applicable.

EMPLOYEES:

There were no employees in the company particulars of which are required to given are specified under section 217 (2A) of the Companies Act, 1956 read with the Company's (particulars of employees).

DIRECTORS RESPONSIBILITY STATEMENT:

In terms of provision of section 217 (2AA) of the companies Act 1956, your directors confirm as:

1. That in the preparation of the annual accounts; the applicable accounting standards have been followed along with proper explanation relating to materials departure.
2. That the accounting policies selected and applied are consistent and the judgement and estimates made 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 or loss of the company for that period.
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing / detecting fraud & other irregularities.
4. That the annual accounts have been prepared on a going concern basis.

AUDITORS

M/s. Kyal & Associates Chartered Accountant, Auditors of the company are eligible for appointment from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration..

SECRETARIAL AUDITORS:

M/s. S.A. & Associates, secretarial Auditors of the company from the conclusion of the ensuring Annual General Meeting and is eligible for appointment. Secretarial compliance certificate pursuant to section 383A of the Companies (Amendment) Act, 2000 is attached herewith as Annexure.

COMPLIANCE CERTIFICATE:

Pursuant to the provision to section 383 A(1) of the Companies Act 1956 a copy of certificate prescribed under the companies (compliances certificate) Rules, 2002 issued by Ms. S.A. & Associates, Company Secretary, is attached with this report.

By Order of the Board of Directors
For Modi Udyog Limited
Sd/-
Chairman

Management Discussion & Analysis

The purpose of this discussion is to provide an understanding of financial statements and a composite summary of performance of our business.

Management Discussion and Analysis (MDA) is structured as follows:

- Overview of Indian Economy
- Financial Industry Overview
- Financial Performance and Highlights
- Internal Control Systems and adequacy
- Material Development in Human Resources

Overview of Indian Economy

As recently assessed by Reserve Bank of India (RBI) in its annual monetary policy in the context of global economy, while near-term risks in the advanced economies started receding in the last quarter of FY'08, the improvement, however, is yet to fully transmit to economic activity which remains sluggish. Emerging and developing economies are in the process of a recovery. However, weak external demand and domestic bottlenecks continue to restrain investment in some of the major emerging economies. Inflation risks in emerging and developing economies appear contained, reacting negative output gaps and the recent softening of international crude and food prices.

On the inflation front, last year saw consistent easing of headline WPI Inflation which came close to the Reserve Bank's tolerance threshold by March, 2009. However, the food price pressures and endemic supply constraints continue to persist suggesting a cautious approach by RBI in near to medium term. In its latest annual monetary policy, RBI has indicated that the balance of risks stemming from its assessment of growth-inflation dynamic yields leaves little maneuvering space for further monetary easing.

RBI's current assessment is that activity will remain subdued during the first half of this year with a modest pick-up in the second half. Agricultural growth could return to trend levels if the monsoon is normal as recently forecast. The outlook for industrial activity remains subdued because the pipeline of new investment has dried up and existing projects remain stalled by bottlenecks and implementation gaps.

Financial Industry overview

The company is mainly into investing , acquiring and holding shares, stocks, debentures, debenture stocks, bonds, warrants, obligations/and/or other securities issued or guaranteed by any company constituted or carrying on business in India and/or by any Government, state, public body-or authority.

It is also into acquisition of shares, stocks, debentures, debenture stocks, bonds, warrants, obligations and/or other securities, by original subscription, participation in- syndicates, tender, purchase, exchange or otherwise and to subscribe the same, either conditionally or otherwise, and to exercise and powers conferred by or incidental to the ownership thereof.

The Company is also engaged in the business of financing, assisting, helping, supporting, promoting companies, firms, businesses, associations, concerns, corporations, partnership, individual or organization in the setting up, running, working, functioning, managing, conducting, operating of any commerce, industry, trade, business, profession etc. through loans and advances .As part of its strategy to expand business from this segment, it also advances deposits or lends money against securities and properties to or with any company, firm, person or association on such terms as may be determined, from time to time, and to lend and negotiate loans and every description and to transact business as financiers.

The Company offers specialized solutions for meeting specific liquidity requirements with technical insights into capital markets. Capital markets at present are going through turbulent times due to slow-down in domestic economy, slow-down in reforms, uncertain global economic environment, economic crisis faced by a few countries in Europe, fluctuations in currency rates, etc. Although the inflation has remained steady during the year but it is still under pressure due to hike in petrol prices, burden of diesel subsidies, high fiscal deficit, etc. However, we feel that the opportunities will soon arise in the markets upon the corrective policies by the government and better fiscal management which will strengthen the economy.

Financial Performance and Highlights

During the fiscal 2009, the gross profit of the company was Rs. 2086 in compared to gross profit of previous fiscal year of Rs. 2610/-. Profit after tax for the fiscal 2009 was Rs. 1440/- in compared to previous year profit of Rs. 1804/-.

Internal Control System & Adequacy

Internal Control Systems has been designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance's with management's authorization and properly recorded and accounting records are adequate for preparation of financial statements and other financial information. Internal check is conducted on a periodical basis to ascertain the adequacy and effectiveness of internal control systems.

Material Development In Resources

The Company continues to lay emphasis on developing and facilitating optimum human performance. Performance management was the key word for the Company this year.

Annexure 'A' To Directors' Report - Report On Corporate Governance

I. COMPANY'S PHILOSOPHY

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Compliance with the requirements of Corporate Governance is set out below :-

Your company philosophy is to continue to enhance the value of its stakeholders including shareholders, customers, employees' lenders and society at large. The company believes that good corporate governance practices are sine qua non for sustainable development of business. Your company believes that all actions and strategic plans should deliver fair value to its stakeholders. It is an integral part of the company core value which includes fairness, transparency integrity, equity, honesty and accountability .Your Company is compliance with the standards set out by clause 49 of the listing agreement with stock exchange.

II. BOARD OF DIRECTORS

(A) Composition Of the Board

The Constitution of Board of Directors of the Company is governed by the Company's Act 1956 and the Clause 49 of listing agreement. The Company's Board comprises a combination of executives and non-executive Directors. The Board presently consists of 3 Directors and its mix provides a combination of professionalism, knowledge and experience required in the line of Business of the Company. The Board is responsible to manage business of the Company. The functions, responsibilities, role and accountability of the Board are well defined.

The details of the composition of the Board as on 31.03.2009, attendance at the Board Meeting during the year and at the last Annual General Meeting, Number of Directorships, Membership/Chairmanship in other public companies are as follows:-

<u>Sr No.</u>	<u>Name of the Director</u>	<u>Designation</u>	<u>Executive/ Non Executive/Promoter</u>	<u>Independent/ Non Independent</u>
1	Ramakanta Barik	Director	Executive	Non Independent
2	Mukesh Kumar Kakra	Director	Non-Executive	Independent
3	Rajesh Kumar Agarwal	Director	Non-Executive	Independent

(B) Board Meetings held in the Financial Year 2008-2009 and attendance of Directors

Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) & number of other Directorship and Chairmanships/Memberships of Committees of each Director in various Companies as on 31st March, 2009– Board holds periodic meetings to review and discuss performance of the Company, its future plans, strategies and other pertinent items relating to the Company. During the financial year ended on 31st March, 2009, meeting of the Board of Directors was held 5 (Five) times on: 28/04/2008, 17/05/2008, 19/08/2008, 20/11/2008 and 19/02/2009.

<u>Name</u>	<u>Designation</u>	<u>Board Meetings Attended</u>	<u>Whether Last AGM Attended</u>	<u>Directorships held in other Public Limited Companies incorporated in India</u>	<u>No. of Membership(s)/ Chairmanship(s) of Board Committees in other Companies</u>
Ramakanta Barik	Executive Director	5	Yes	Nil	Nil
Mukesh Kumar Kakra	Independent Director	5	Yes	Nil	Nil
Rajesh Kumar Agarwal	Independent Director	5	Yes	Nil	Nil

Pursuant to clause 49 of Listing Agreement with Stock Exchanges, Memberships/Chairmanships of only Audit Committees and Shareholders Grievance committee in all Public Limited companies (excluding Modi Udyog Limited) have been considered.

The agenda and notes on agenda are circulated to the Board members in advance for facilitating meaningful and focused discussion at the Board Meeting. The Board members, in consultation with the chairman may bring up any matter for consideration of the Board.

The Board periodically reviews compliance report of all laws applicable to the Company. Steps are taken by the Company to rectify or comply the instances of non-compliance, if any noticed.

(C) Change in the composition of the Board of Directors since the last Annual General Meeting

There was no change in the composition of the Board of Directors since the last Annual General Meeting.

(D) Details of Sitting Fees, remuneration etc. paid to Directors

No sitting fee and directors remuneration was paid to any director during the year

COMMITTEE OF THE BOARD:

1. AUDIT COMMITTEE
2. REMUNERATION COMMITTEE
3. SHAREHOLDER'INVESTOR GRIEVANCE COMMITTEE

AUDIT COMMITTEE

Your Company has an Audit committee comprising of 2 (Two) Non executive Directors and one Executive Director. All the members of the Audit Committee are financially literate and have accounting or related financial management expertise. The terms of reference of the Audit Committee included the power as laid down in clause 49(II)(C) and the role as stipulated in Clause 49(II)(D) of the listing agreement and review of the information as laid down in clause 49(II)(E)

During the financial year ended on 31st March, 2009, five (5) meetings of the Audit committee were held on 22/04/2008, 12/05/2008, 12/08/2008, 14/11/2008 and 16/02/2009. The composition of Audit Committee and the attendance of members during these meetings are as follows:

<u>Name</u>	<u>Designation</u>	<u>Category</u>	<u>Meetings Attended</u>
Mr. Rajesh Kumar Agarwal	Chairman	Independent Director/Non-Executive	5
Mr. Mukesh Kumar Kakra	Director	Independent Director/ Non-Executive	5
Mr. Ramakanta Barik	Director	Executive Director/ Non- Independent	5

The Chairman is a permanent invitee to the Committee. The representative of Statutory Auditors is permanent invitee to the Audit committee meetings.

Unaudited quarterly and audited annual financial results were reviewed, analyzed and confirmed by the committee before they were approved by the Board of Directors for submission to the stock exchanges and publication in newspaper in compliance of clause 41 of the Listing Agreement.

The Annual Accounts for the year ended 31st March, 2009 were duly reviewed by the Audit Committee at its meeting held on 23/06/2009, prior to adoption by the Board.

III. REMUNERATION COMMITTEE

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement) the details pertaining to the same are not provided.

IV. SHAREHOLDER'S INVESTOR GRIEVANCE COMMITTEE

Your Company constituted the Committee to oversee the redressal of shareholders' grievances relating to transfer of shares, non-receipt of annual report, dividend etc. During the financial year ended on 31st March 2009, four (4) meetings of the Committee were held on 19.04.2008, 22.07.2008, 18.11.2008 and 17.03.2009 which were attended by all the members of the Committee. The composition of the Committee is as follows:-

<u>Name</u>	<u>Designation</u>	<u>Category</u>
Mr. Mukesh Kumar Kakra	Chairman	Independent Director/ Non-Executive
Mr. Rajesh Kumar Agarwal	Director	Independent Director/ Non-Executive
Mr. Ramakanta Barik	Director	Executive Director/ Non- Independent

The details of the complaints, excluding correspondences which are not in the nature of complaints are given below:

No. of Complaints pending as on 1st April, 2008	0
No. of Complaints received during the year	0
No. of Complaints redressed during the year	0
No. of Complaints pending as on 31st March, 2009	0

V. CODE OF CONDUCT

The Board of Directors of the Company has formulated a code of conduct for all Board Members and Senior Management Personnel of the Company and Compliance thereof has been affirmed by all concerned. This Code of Conduct has also been placed on Company's Website.

VI. DECLARATION FOR COMPLIANCE OF CLAUSE 49(I)(D)

This is to confirm that the Company has adopted a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. It is further confirmed that the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2009.

Date: 30th June, 2009
Place: Kolkata

Sd/-
Mukesh Kumar Kakra
Non Executive Director

VII. DETAILS OF DIRECTORS APPOINTED/RE-APPOINTED

Details of directors being appointed/re-appointed have been disclosed in the notice of the Annual General Meeting, i.e. brief resume, nature of expertise in specific functional areas, numbers of directorships and committee memberships and their shareholding in the company.

VIII. GENERAL BODY MEETINGS

(A) Location & time for the last three Annual General Meetings:

<u>Annual General Meeting</u>	<u>Date & Time</u>	<u>Venue</u>
31st March, 2008	22nd September, 2008 at 11:30 A.M	91, N.S. Road, 3 rd Floor, Kolkata 700001
31 st March, 2007	22nd September, 2007 at 11:30 A.M	91, N.S. Road, 3 rd Floor, Kolkata 700001
31 st March, 2006	22nd September, 2006 at 11:30 A.M	91, N.S. Road, 3 rd Floor, Kolkata 700001

X. POSTAL BALLOT

No Resolution has been passed during last three financial years through Postal Ballot Rules.

XI. DISCLOSURES

- (a) A statement in summary form of transactions with related parties in the Ordinary course of business is placed periodically before the Audit committee. The Company did not have any materially significant related party transactions, which may have potential conflict with the interest of the Company. For the list of disclosures of related party relationship and transactions as per Accounting Standard AS-18, "Related Party Disclosures", Additional Notes to the Annual Audited Accounts of the Company for the financial year ended on 31st March, 2009 may be referred to.
- (b) The Company has duly complied with the requirements of the regulatory authorities on capital market. No structures were imposed on the Company by the SEBI, or any statutory authority on any matter related to capital markets during the last three year.
- (c) There was no pecuniary relationship or transactions between the Company and the Non Executive Directors.
- (d) While preparing financial statements for the year under review, no accounting treatment which was different from that prescribed in the Accounting Standard issued by The Institute of Chartered Accountants of India was followed.
- (e) The Company does not presently have a Whistle Blower policy
- (f) The Board has received disclosures from senior management personnel relating to material financial and commercial transaction in which they and/or their relatives have personal interest.
- (g) A Management Discussion and Analysis Report has been included as a part of the Directors' Report to the Shareholders for the financial year ended 31st March, 2009.
- (h) **Details of Compliance with cause 49 Listing Agreement with Stock Exchange:**
 - All mandatory requirements under this clause have been appropriately complied with.
 - The company does not have a remuneration committee, which is not a mandatory requirement under this clause as reported in paragraph iii above.
 - Other non mandatory requirements will be adopted by your Company's Board as and when required and /or deemed necessary.
- (i) The Company does not have any Indian Subsidiary Company and hence provision of an Independent Director of the Company on the Board of such Subsidiary Company is not applicable.

XII. MEANS OF COMMUNICATIONS

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.

XIII. GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in section “Shareholders Information” which forms part of this Annual Report.

XIV. SHAREHOLDERS’ INFORMATION

a. Annual General Meeting

The information regarding Annual General Meeting for the financial year ended on 31st March 2009 is as follows :-

a. Day & Date	: Saturday, 29th August, 2009
Time	: 2:30 P.M.
Venue	: 91, N.S. Road, 3 rd Floor, Kolkata 700001

b. Financial Calendar (Tentative)

Financial reporting for the quarter ending June 30,2009	Within 45 days of end of Quarter
Financial reporting for the quarter ending September 30,2009	
Financial reporting for the quarter ending December 31,2009	
Financial reporting for the quarter ending March 31,2010	Within 60 days of end of Quarter
Annual General Meeting for the year ending 31 st March,2010	Last week of September 2010

c. Financial Year	: 1st April 2008 to 31stMarch, 2009.
d. Date of Book Closure	: 25 th to 28th August, 2009
e. Dividend Payment Date	: No Dividend has been recommended for the year under review.
f. Listing of Shares	: The Calcutta Stock Exchange L:imited
g. ISIN	: Not obtained
h. Stock Master Data	: There were no trading in the script during the year.
i. Registrar & Share Transfer Agent	: In- House

j. Share Transfer Systems

As on 31st March, 2009, none of the shares of the Company are in electronic form. The share transfers which are received in physical form are processed and the share certificates returned within a period of 15-20 days from the date of receipt of the transfer, subject to documents being valid and complete in all respects. The Company also obtains from a Practicing Company Secretary, half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchange and files a copy of the certificate with the Stock Exchange.

k. Shareholding pattern as on 31st March 2009

- Distribution of Shareholding as on 31st March, 2009:

<u>SHAREHOLDING IN NOMINAL VALUE</u>	<u>NO. OF SHAREHOLDERS</u>	<u>%</u>	<u>NO. OF SHARES</u>	<u>%</u>
UPTO 5000	448	94.92	103870	43.28
5001-10000	2	0.42	1600	0.67
10001-20000	3	0.64	5600	2.33
20001-30000	2	0.42	5100	2.13
30001-40000	1	0.21	4000	1.66
40001-50000	7	1.48	34930	14.55
50001-100000	9	1.91	84900	35.38
100001 AND ABOVE	-		-	-
TOTAL	472	100	240000	100

- Category of Shareholders as on 31st March, 2009:

<u>Category</u>	<u>No. of Shares Held</u>	<u>% of shareholdings</u>
Promoters & Promoter Group	31030	12.93
Institutional Investors	-	-
Bodies Corporate	67030	27.93
Indian Public	141940	59.14
Total	240000	100

l. Dematerialization of Equity Shares & Liquidity

Particulars of Shares	Equity Shares of Rs.10 each	
	Number	% of Total
Physical Form	240000	100
Total	240000	100

m. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity

Not Applicable.

n. Reconciliation of Share Capital Audit

A Practicing Company Secretary carried out Reconciliation of share capital audit to reconcile total issued and listed capital. The Audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form (none of the shares of the company are in dematerialized form) .This audit is carried out every quarter and the report thereon is submitted to Stock Exchanges.

o. Investors' Correspondence: Not Applicable

Shareholders can contact the Company for Secretarial matters at:

91, N.S. Road, 3rd Floor
Kolkata 700001

DECLARATION ON CODE OF CONDUCT

I, Ramakanta Barik, Director of Modi Udyog Limited having its registered office at 91, N.S. Road, 3rd Floor, Kolkata 700001 hereby declare that the company has formulated a code of conduct for its directors and Senior Management Personnel and that all Board Members and Senior Management Personnel have affirmed Compliance of the code for the financial year 2008-09.

Place: Kolkata
Date: 30th June, 2009

Sd/-
Ramakanta Barik
Director

DIRECTOR'S CERTIFICATION TO THE BOARD

The Board of Directors
Modi Udyog Limited

Ref- Financial Statements for the period ended March 31, 2009:

I, Ramakanta Barik, Director, of the Company on the basis of the review of the financial statements for the year ended on 31st March, 2009 along with cash flow statement for that period and to the best of our knowledge and belief, certify under Clause 49 of the Listing Agreement that:-

- a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws a regulation.
- c) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ending March 31,2009, that are fraudulent, illegal or volatile of the Company's Code of Conduct.
- d) We accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting We have indicated to the Auditors and the Audit Committee:
 - o Significant changes in internal control over financial reporting during the year;
 - o Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - o Instances of significant fraud, if any, of which we became 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 financial reporting.

For and on Behalf of the BOD

Sd/-
Ramakanta Barik
(Chairman)
Place: Kolkata
Date: 30th June, 2009

Compliance Certificate On Corporate Governance

To,
The Members,
MODI UDYOG LIMITED
91, N.S. Road, 3rd Floor
Kolkata 700001

We have examined the compliance of Corporate Governance by MODI UDYOG LIMITED for the year ended on 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of opinion on the financial statement 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 grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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.

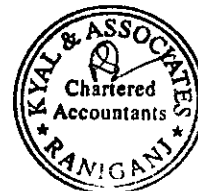
For Shipra Agarwal
Sd/-
Company Secretary
C.P. No.3173

Place: Kolkata
Date: 30th June, 2009



Report of the Auditors to the Members

- 1) We have audited the attached Balance Sheet of *M/S MODI UDYOG LTD.* as at 31st March 2009 and also Profit & Loss Account and the Cash flow statement for the year ended on the 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.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. These 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 test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the annexure a Statement on the matters specified in Paragraphs 4 and 5 of the said order:
- 4) Further to our comments in the Annexure referred to in paragraph 3 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, proper books of account as required by law have been kept by Company so far as appears from our examination of those books;
 - c) The Balance Sheet and Profit & Loss Account and cash flow statement dealt with by this report, are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Profit & 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;



Cont....

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- e) On the basis of written representations received from the Directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2009 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- 5) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - b) In the case of the Profit and Loss Account, of the **PROFIT** 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 KYAL & ASSOCIATES
Chartered Accountants

Kejriwal.

(CA RINKU KEJRIWAL)
Proprietor
M.NO: 61049

Place: Raniganj
Date : June 30, 2009

Annexure to the Auditors' Report
to the Members of MODI UDYOG Limited
[Referred to in paragraph (3) thereof]

- i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets. In our opinion, the fixed assets have been physically verified by the management during the year at reasonable intervals having regard to the size of the company and nature of its assets. No material discrepancies between the book records and the physical inventory are noticed. In our opinion, during the year, the company has not disposed off substantial part of its fixed assets.
- ii) The Company has no manufacturing and/or trading activities and as such the question of having any stock and maintenance of record in respects thereof and physical verification of inventory does not arise and hence, paragraphs (ii)(a), (ii)(b) and (ii)(c) of the Order, are not applicable.
- (iii) The Company has not granted/taken any loan, secured or unsecured, to/from Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and hence, paragraphs (iii)(b), (c), (d), (e), and (f) of the Order, are not applicable.
- iv) The Company has not purchased any inventory and fixed assets and also there is no sale of goods and services during the year and hence, paragraph (iv) of the Order is not applicable.
- v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register maintained U/s 301 of the Companies Act, 1956.
- vi) The Company has not accepted any deposit from the public.
- vii) In our opinion, the company has an internal audit system commensurate with its size of the company and nature of its business.
- viii) The Company is not required to maintain cost records.
- (ix) According to the records of the company the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, Service Tax, custom duty and other material statutory dues as applicable with the appropriate authorities. According to the records of the company there are no dues of Income Tax, Sales Tax and Excise Duty, Service Tax, etc which have not been deposited on account of any dispute.
- x) The Company has not completed five years from the date of its registration hence paragraph 4(x) of the order is not applicable to the company.
- xi) The company has not taken any term loans or advances from any financial institution and bank. The company does not have any borrowings by way of debentures during the year.
- xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



Cont...

- xiii) The provisions of any special statute as specified under paragraph (xiii) of the order are not applicable to the company.
- xiv) In respect of dealing in shares, securities, debentures and other investment in our opinion and according to the information & explanation given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the company in its own name.
- xv) According to the information and explanation given by the management, the company has not given any guarantee for loan taken by others from banks or financial institutions.
- xvi) The company has not taken any term loan and hence paragraph (xvi) of the order is not applicable.
- xvii) The company has not raised any funds on short term basis.
- xviii) There is no preferential allotment of shares and debenture by the company during the year.
- xix) As the company has no debentures outstanding at any time during the year, paragraph (xix) of the order is not applicable.
- xx) The company has not raised any money by public issue during the year.
- xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statement and as per the information and explanation given to us, during the year, no material fraud on or by the company has been noticed or reported.



For KYAL & ASSOCIATES
Chartered Accountants

Ranjwal.

(CA RINKU KEJRIWAL)
Proprietor
M.NO: 61049

Place : Raniganj
Date : June 30, 2009

MODI UDYOG LIMITED

BALANCE SHEET AS AT 31 ST MARCH, 2009

<u>SOURCES OF FUND</u> <u>SHAREHOLDER'S FUND:</u>	SCHEDULE 31 ST MARCH, 2009 (RUPEES)	31ST MARCH, 2008 (RUPEES)
SHARE CAPITAL	A 2400000	2400000
	2400000	2400000
<u>APPLICATION OF FUND</u>		
Investment in Shares	B 1475000	1475000
Fixed Assets	29700	29700
<u>CURRENT ASSETS, LOANS & ADVANCES</u>		
Cash & Bank Balance	93318	107802
Other Current Assets	8519	4399
Loans & Advances	226214	229214
	328051	341415
Less: CURRENT LIABILITIES & PROVISIONS	D	
Current Liabilities	66126	81576
Provisions	3472	2826
	69598	84402
NET CURRENT ASSETS:	258453	257013
Profit & Loss Account	636847	638287
	2400000	2400000

NOTES ON ACCOUNTS F

In terms of our report of even date attached

FOR KYAL & ASSOCIATES
Chartered Accountants

Kejriwal.

(R. KEJRIWAL)
Proprietor



Place: Raniganj
Date: June 30, 2009

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FOR MODI UDYOG LTD

Mukherjee
Director

FOR MODI UDYOG LTD

Ramachandra Bose

Director

MODI UDYOG LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

<u>INCOME</u>	SCHEDULE 31 ST MARCH, 2009 (RUPEES)	31ST MARCH, 2008 (RUPEES)
Commission Received(TDS 4120)	40000	28000
	40000	28000
 <u>EXPENDITURE</u>		
Administrative & Other Expenses	35414	22890
Auditors Remuneration	2500	2500
	37914	25390
 PROFIT(LOSS) FOR THE YEAR	 2086	 2610
PROVISION FOR TAXATION	646	806
	1440	1804
PROFIT AFTER TAX	(638287)	(640091)
PROFIT (LOSS) BROUGHT FORWARD	(636947)	(638287)
PROFIT CARRIED TO BALANCE SHEET	(636947)	(638287)

NOTES ON ACCOUNTS

In terms of our report of even date attached

FOR KYAL & ASSOCIATES
Chartered Accountants

Ranjwal
(R.KEJRIWAL)
Proprietor



Place: Raniganj
Date: June 30, 2009

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for MODI UDYOG LTD.
Mukesh
Director

for MODI UDYOG LTD.
Ranavanta Baule
Director

MODI UDYOG LIMITED

SCHEDULE TO THE ACCOUNTS

<u>SCHEDULE-A</u> <u>SHARE CAPITAL</u>	31 ST MARCH, 2009 (RUPEES)	31ST MARCH, 2008 (RUPEES)
Authorised	2500000	2500000
250000 Equity Shares of Rs 10/- each	<u>2500000</u>	<u>2500000</u>
<u>Issued, Subscribed & Paid up</u>		
240000 Equity Shares of Rs 10/- each fully paid	<u>2400000</u>	<u>2400000</u>

<u>SCHEDULE-B</u> <u>INVESTMENT IN SHARE</u>	<u>NO OF SHARES</u>	<u>AMOUNT</u>	<u>NO OF SHARES</u>	<u>AMOUNT</u>
Ashay Syntex Pvt Ltd	16000	400000	16000	400000
Mignasty Commerce Pvt Ltd	7750	775000	7750	775000
Shining Developers Pvt Ltd	3000	300000	3000	300000
		<u>1475000</u>		<u>1475000</u>

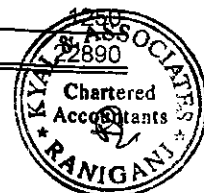
<u>SCHEDULE-C</u> <u>CURRENT ASSETS & LOANS AND ADVANCE</u>				
(I) CASH & BANK BALANCES				
Cash Balance in Hand		15308		49718
(As certified by the management)				
Balance at Bank		78010		58084
(in Current Account)				
		<u>93318</u>		<u>107802</u>
(II) OTHER CURRENT ASSETS				
Tax Deducted at sources (06-07)		1515		1515
Tax Deducted at sources (08-09)		2884		2884
Tax Deducted at sources (09-10)		4120		-
		<u>8519</u>		<u>4399</u>
(III) LOANS AND ADVANCES				
Advances				3000
Loans		226214		226214
		<u>226214</u>		<u>229214</u>
		<u>328051</u>		<u>341415</u>

<u>SCHEDULE-D</u> <u>CURRENT LIABILITIES & PROVISIONS</u>				
(I) CURRENT LIABILITIES				
Liabilities for Expenses	15450	66126		81576
(I) PROVISIONS				
Provision for Taxation		3472		2826
		<u>69598</u>		<u>81576</u>

<u>SCHEDULE-E</u> <u>ADMINISTRATIVE & OTHER EXPENSES</u>				
Advertisement		2700		-
Bank Charges		304		2675
Filing Fees		4000		2500
Secretarial Charges		800		800
General Expenses		4945		2665
Postage, Telegram		2775		-
printing & Stationery		3690		-
Convyance		1200		-
Listing Fees		10500		10500
Professional Tax		2650		2500
Trade License		1850		-
		<u>35414</u>		<u>22890</u>

101 MODI UDYOG LTD.
Mukesh
 Director

101 MODI UDYOG LTD.
Ramankrishna Baid
 Director



MODI UDYOG LIMITED

SCHEDULE TO THE ACCOUNTS

Schedules to and forming part of Accounts for the year ended 31 st March,2009

SCHEDULE-F

NOTES ON ACCOUNT

A STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.Basic of Accounting Policies:

Accounts have been prepared under Historical Cost convention and in accordance with generally accepted accounting principals.

2.Recognition of Income & Expenditure

The Company follows the accrual method of accounting except for gratuity, which is accounted for on cash basis or otherwise separately stated else where in the notes forming parts of the account.

3.Fixed Assets

Fixed Assets are stated at cost.

4.Retirement Benefit

Provision for retirement benefits has been made as no employee has put in the qualifying period of service for entitlements of the bebfits.

5.Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequents periods.

Deferred Tax assets in respect of unabsorbed depreciation and losses are not recognised since management is not able to produce any convincing evidence that there will be sufficient future taxable income to realise the deferred tax assets and hence not provided.

B NOTES OF ACCOUNTS

1. Previous year figures have been re-grouped, re-arranged, re-casted wherever considered necessary to make them comparable with the current year figures
- 2.Schedule from A to F annexed herewith are forming part of the Balance Sheet and Profit & Loss Account.

In terms of our report of even date attached

FOR KYAL & ASSOCIATES

Chartered Accountants

Kejriwal
(R. KEJRIWAL)
Proprietor



Plac Raniganj
Date: June 30, 2009

FOR MODI UDYOG LTD.

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Mukherjee
Director

FOR MODI UDYOG LTD.

Ramabanta Basu

Director

MODI UDYOG LIMITED

BALANCE SHEET ABSTRACTS AND COMPANY'S GENERAL BUSINESS PROFILE PURSUANT TO PART-IV TO THE COMPANIES ACT, 1956

I Registration Details

Registration No.: U51909WB2007PTC118606
Balance Sheet Date: 31.03.2009
State Code: 21

II Capital raised during the year (amount in Rs Thousand)

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

III Position of Mobilization and Development of Funds (amount in Thousand)

Total Liabilities	Total Assets
2470	2470

Sources of Funds

Paid up Capital	Reserve & Surplus
2400	0
Secured Loans	Unsecured Loans
0	0
Share Application Money	
0	

Application of Funds

Net Fixed Assets	Investments
30	1475
Net Current Assets	Misc. Expenditure
258	0
Accumulated Losses	
637	

IV Performance of the Company (Amount in Thousand)

Total Income	Total Expenditure
40	38
Profit before Tax	Profit after Tax
2	1
Earning per share I Rs.	Dividend Rate %
0	0

V Generic Names of three principal Products/Services of the Company.

(As per monetary terms)

Item Code No(ITC Code)	NA
Product Description	Nil



for MODI UDYOG LTD.

Mukesh
Director

for MODI UDYOG LTD.

Ramakanta Banik
Director

Director

MODI UDYOG LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

31st march, 2009
Rs.

(A) CASH FLOW FROM OPERATING ACTIVITIES

Profit(Loss) before tax & extra Ordinary Item	2086
Operating Profit before Working Capital Changes	2086

Working Capital Adjustment:

Add: Decrease in Current Assets & Increase in Current Liabilities

Decrease In Loan	3000
	3000

Less: Increase in Current Assets & Decrease in Current Liabilities

Decrease in Current Liabilities	15450
---------------------------------	-------

Increase in Tax Deducted at source	4120
	19570

Cash Generated from Operation

Net Cash Flow From Operating Activities	(A) (14484)
---	--

(B) Cash Flow From Investing Activities

Net Cash Flow From Investing Activities	(B) 0
---	--

(C) Cash Flow From Financial Activities

Net Cash Flow From Financial Activities	(C) 0
---	--

NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS(A+B+C)	(14484)
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OPENING CASH AND CASH EQUIVALENTS	107802
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CLOSING CASH AND CASH EQUIVALENTS	93318
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In terms of our report of even date attached

FOR KYAL & ASSOCIATES
Chartered Accountants

Kejriwal
(R. KEJRIWAL)
Proprietor



Place: Raniganj
Date: June 30, 2009

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for MODI UDYOG LTD

Mukesh
Director

for MODI UDYOG LTD.

Ramakanta Barik
Director

Modi Udyog Limited

91, N.S. Road, 3rd Floor, Kolkata 700001

ATTENDANCE SLIP

Folio No:
held:

No. of Shares

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 27th Annual General Meeting at 91, N.S. Road, 3rd Floor, Kolkata 700001 on the 29th August, 2009 at 2.30 p.m.

Name of the Shareholder/Proxy:-

Signature of the Shareholder/Proxy:-

Modi Udyog Limited

91, N.S. Road, 3rd Floor, Kolkata 700001

PROXY FORM

Folio No:
held:

No. of Shares

I/We ----- of ----- in the district of --
----- being a member/members of M/s. Modi Udyog Limited, hereby
appoint ----- of ----- in the District of ----- or failing him ---
-----of----- in the District of----- as my / our
Proxy to vote for me/ us on my/our behalf, at the Twenty Seventh Annual General Meeting to be held
at, 91, N.S. Road, 3rd Floor, Kolkata 700001 on Saturday, the 29th August, 2009 at 2.30 p.m and at
any adjournment thereof.

Signed this ----- day of -----, 2009



SIGNATURE _____

NOTE:

1. *In the case of a Corporation this Proxy shall be either given under the Common Seal or signed on its behalf by an Attorney or Officer of the Corporation.*
2. *Proxies to be valid must be deposited at the Registered Office of the Company, not later than 48 hours before the time for holding the Meeting.*

Book post

If undelivered please return to;

Modi Udyog Limited
91, N.S. Road, 3rd Floor,
Kolkata 700001