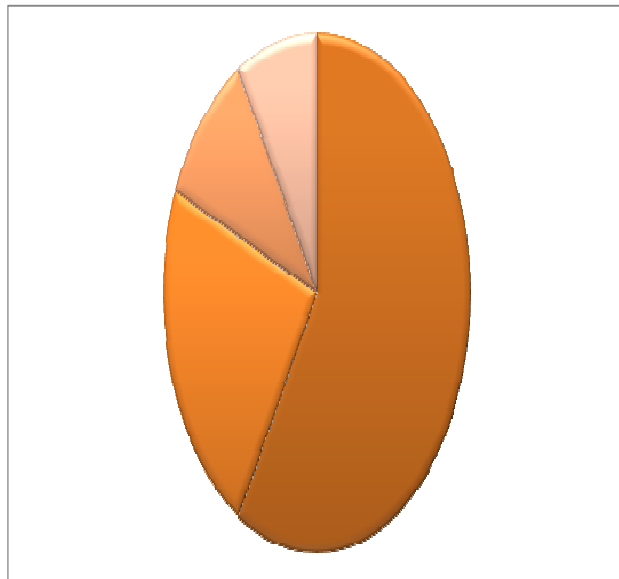


# ANNUAL REPORT

2011-12



MODI UDYOG LIMITED



## 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

Chairman Cum Executive Director

Mr. Rajesh Kumar Agarwal

Non Executive/ Independent Director

Mr. Mukesh Kumar Kakra

Non Executive/ Independent Director

## **COMPANY SECRETARY/ COMPLIANCE OFFICER**

Mr. Rajesh Kumar Agarwal

## **AUDITORS**

L.N. TODI & Co.

Chartered Accountants

15N, Nelie Sengupta Sarani, 4<sup>th</sup> Floor

Kolkata 700087

## **BANKERS**

Punjab National Bank

## **REGISTERED OFFICE**

91, N.S. Road, 3<sup>rd</sup> Floor

Kolkata 700001

# Notice

Notice is hereby given that the **THIRTIETH ANNUAL GENERAL MEETING** of the Members of **Modi Udyog Limited** will be held at the Registered office of the Company at 91, N.S. Road, 3<sup>rd</sup> Floor, Kolkata 700001 on 28th September, 2012 at 11:30 a.m. to transact the following business.

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited accounts of the company for the year ended 31<sup>st</sup> March, 2012 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. L.N. Todi & Co. 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 : 03/09/2012

## **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 members are requested to bring their copies of the Director's report and Annual Account of the Company.

**DIRECTOR'S REPORT TO THE SHAREHOLDERS OF**  
**MODI UDYOG LIMITED**

Your Directors have the pleasure in presenting Annual Report together with audited accounts for the year ended 31st March 2012

1 **FINANCIAL RESULTS :**

Particulars	Year ended 3/31/2012 (Rs.)
Profit/(loss) before tax	(24,600)
Profit/(loss) after tax	(24,600)
Balance Brought forward from previous year	<u>(709,642)</u>
Profit/(loss) after tax carried to Balance Sheet	<u>(734,242)</u>

2 **DIVIDEND :**

In view of accumulated losses at the end of the financial year, the Directors do not recommended any dividend.

3 **DIRECTOR'S RESPONSIBILITY STATEMENT :**

As required under Section 217(2AA) your directors confirm that:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed.

b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are responsible and prudent so to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the Profit of the Company for the year ended 31st March, 2012

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) The Directors have prepared the annual accounts on going concern basis.

4 **AUDITORS AND AUDITORS REPORT: :**

The Auditors' report is self-explanatory and need no clarifications. M/s. L.N.TODI & CO. Chartered Accountants, First Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for reappointment. The company has received a certificate from the Auditor to the effect that their reappointment, if made would be in accordance with Section 224 (1B) of the Companies Act, 1956. The Board recommends their re-appointment.

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

There is nothing to comment on conservation of energy and technology absorption. There was no foreign exchange earnings and out go.

6 PARTICULARS OF EMPLOYEE U/S. 217(2A) OF THE COMPANIES ACT, 1956. :

There are no employee drawing salary as specified in section 217(2A) of the Companies Act, 1956

7 SUBSIDIARY :

The Company does not have any subsidiary.

8 PUBLIC DEPOSIT :

The Company has not accepted any public deposits.

9 COMPLIANCE CERTIFICATE:

The provision of section 383A of the Companies Act, 1956 is attached and forms part of this report.

**For MODI UDYOG LIMITED**  
ON BEHALF OF THE BOARD

Place : Kolkata.  
Date : 13/08/2012

Ramavanta Barik  
(Director)

Mukesh  
(Director)



# **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'12, 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, 2012. 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 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 2012, the gross loss of the company is Rs.(24,600) and in previous fiscal of Rs. (51,186). Profit after tax for the fiscal 2012 is Nil as in previous year.

## **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 31.03.2012, 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:-

<b><u>Sr No.</u></b>	<b><u>Name of the Director</u></b>	<b><u>Designation</u></b>	<b><u>Executive/ Non Executive/Promoter</u></b>	<b><u>Independent/ Non Independent</u></b>
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 2011-2012 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, 2012– 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, 2011, meeting of the Board of Directors was held 7 (Seven) times on: 14/04/2011, 14.05.2011, 13.07.2011, 01.09.2011, 15.11.2011, 15.01.2012 and 31.03.2012.

<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	7	Yes	Nil	20
Mukesh Kumar Kakra	Independent Director	7	Yes	Nil	7
Rajesh Kumar Agarwal	Independent Director	7	Yes	Nil	10

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 31<sup>st</sup> March, 2012, four (4) meetings of the Audit committee were held on 06.05.2011, 12.08.2011, 14.12.2011, 19.03.2012. 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	4
Mr. Mukesh Kumar Kakra	Director	Independent Director/ Non-Executive	4
Mr. Ramakanta Barik	Director	Executive Director/ Non- Independent	4

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 31<sup>st</sup> March, 2012 were duly reviewed by the Audit Committee at its meeting held on 13/08/2012, 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 31<sup>st</sup> March, 2011, four (4) meetings of the Committee were held on 07.04.2011, 08.07.2011, 02.12.2011, 08.03.2012 and which was 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, 2011	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, 2012	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, 2012.

Date: 13<sup>th</sup> September, 2012  
Place: Kolkata

Sd/-  
Mukesh Kumar Kakra  
Non Executive Director

Sd/-  
Ramakanta Barik  
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 &amp; Time</u>	<u>Venue</u>
31st March, 2011	30th September, 2011, at 11.30 A.M	91, N.S. Road, 3 <sup>rd</sup> Floor, Kolkata 700001
31st March, 2010	30th September, 2010, at 11.30 A.M	91, N.S. Road, 3 <sup>rd</sup> Floor, Kolkata 7000010
31st March, 2009	29th August, 2009 at 2.30 P.M	91, N.S. Road, 3 <sup>rd</sup> 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, 2011 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, 2011.
- (h) **Details of Compliance with clause 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 2012 is as follows :-

- a. Day & Date** : Friday, 28th September, 2012  
**Time** : 11:30 A.M.  
**Venue** : 91, N.S. Road, 3<sup>rd</sup> Floor, Kolkata 700001

##### **b. Financial Calendar (Tentative)**

Financial reporting for the quarter ending June 30, 2012	Within 45 days of end of Quarter
Financial reporting for the quarter ending September 30, 2012	
Financial reporting for the quarter ending December 31, 2012	
Financial reporting for the quarter ending March 31, 2013	Within 60 days of end of Quarter
Annual General Meeting for the year ending 31 <sup>st</sup> March, 2013	Last week of September 2013

- c. Financial Year** : 1st April 2011 to 31st March, 2012.
- d. Date of Book Closure** : 27th to 30th September, 2012
- e. Dividend Payment Date** : No Dividend has been recommended for the year under review.
- f. Listing of Shares** : The Calcutta Stock Exchange Limited
- 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, 2012, 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 31<sup>st</sup> March 2012**

- Distribution of Shareholding as on 31st March, 2012:

<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

**I. 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, 3<sup>rd</sup> 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, 3<sup>rd</sup> 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 2011-12.

Place: Kolkata  
Date: 13<sup>th</sup> August, 2012

Sd/-  
Ramakanta Barik  
Director

## DIRECTOR CERTIFICATION TO THE BOARD

The Board of Directors  
Modi Udyog Limited  
Ref- Financial Statements for the period ended March 31, 2012:

I, Ramakanta Barik, Director, of the Company on the basis of the review of the financial statements for the year ended on 31st March, 2011 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 31,2012, 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: 13<sup>th</sup> September, 2012

## **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of Corporate Governance by MODI UDYOG LIMITED for the year ended on 31st March, 2012, 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.

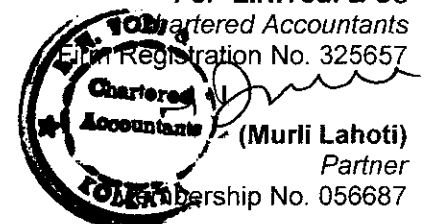
For Dhruba Charan Sahoo  
**Sd/-**  
Practicing Company  
Secretary  
C.P. No.5508

Place: Kolkata  
Date: 13<sup>th</sup> September, 2012

**AUDITORS' REPORT**

To the Shareholders,

1. We have audited the attached Balance Sheet of **M/S. MODI UDYOG LIMITED** as at 31<sup>st</sup> March 2012 and the Statement of Profit and Loss of the said company for the year ended on that date, both annexed hereto. 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 have 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the 'Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956 of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, 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 explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of accounts as required by the law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet and statement of Profit & Loss dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet and Statement of Profit & Loss 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 the written representations received from the directors, as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f. In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2012 and
    - ii) In the case of the Statement of Profit and Loss, of the **Loss** of the Company for the year ended on that date.

For L.N.Todi & Co  
Chartered Accountants

EIN Registration No. 325657

Chartered Accountants

(Murli Lahoti)  
Partner

Membership No. 056687

## ANNEXURE TO AUDITOR'S REPORTS


[Referred to in the paragraph 3 of the Auditors' Report of even date to the members of **MODI UDYOG PRIVATE LIMITED** on the financial statements for the period ended 31<sup>st</sup> March, 2012]

- I.
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - (c) During the year, the Company has not disposed off any major part of the fixed assets.
- II. The Company is a service company and accordingly did not have any inventories during the period under audit, therefore the clause (ii) of Paragraph 4 of the Order are not applicable to the Company.
- III.
  - a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly the clauses (iii) (b) to (iii) (d) of Paragraph 4 of the Order are not applicable to the Company for the current period.
  - b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly the clauses (iii) (e) to (iii) (g) of Paragraph 4 of the Order are not applicable to the Company for the current period.
- IV. In our opinion and according to the information and explanations gives to us, there are adequate internal procedures commensurate with the size of the Company and the nature of its business with regard to purchases and sale of services. During the course of our audit, we have not observed any major weakness in internal controls.
- V. As per information and explanations given to us there was no contracts or arrangements, which was required to be entered in the registered maintained under section 301 of the Act, 1956.
- VI. According to the information and explanations given to us, the Company has not accepted deposits from the public.
- VII. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- VIII. According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Govt. under clause (d) of sub section (1) of section 209 of the Companies Act.
- IX.
  - a) As per information provided to us, the Company is generally regular in depositing undisputed statutory dues with the appropriate authorities. There are no arrears of statutory dues outstanding for more than six months as on 31st March, 2012
  - b) There is no amount in respect of income tax, sales tax, service tax, wealth tax, excise duty, cess, which has not been deposited on account of any dispute.
- X. The Company has accumulated losses at the end of the year. The Company has suffered cash losses in the current financial year and in the immediately preceding financial year.
- XI. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- XII. According to the information and explanations given to us, the Company has not granted loans or advances on the basis of securities by way of pledge of shares, debentures or other securities.
- XIII. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.



- XIV. We have broadly reviewed the books of accounts and records maintained by the Company and state that prima-facie, proper records have been maintained of the transactions and contracts relating to purchase of investments and timely entries have been made therein. All the investments have been held by the Company in its own name except to the extent exempted under section 49 of the Act.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not obtained any term loans and hence the question of application of loan for the purpose for which the loans were obtained does not arise.
- XVII. To the best of our knowledge and belief and according to the information and explanations given to us, no funds raised on short-term basis have been used for long-term investment.
- XVIII. The Company has not made preferential allotment of shares to a company covered in the register maintained under section 301 of the Act.
- XIX. According to the information and explanation given to us, the Company has not issued any debentures during the period covered by our audit report.
- XX. During the period covered by our audit report the Company has not raised any money by public issue.
- XXI. During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the period, nor have we been informed of such case by the management.

Place: Kolkata  
Date: 13/08/2012

For L.N.Todi & Co  
Chartered Accountants  
Firm Registration No. 325657  
  
Chartered Accountant (Murli Lahoti)  
Partner  
Membership No. 056687

## MODI UDYOG LIMITED

Balance Sheet as at March 31, 2012

Particulars	Notes	As at March 31, 2012	As at March 31, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
Share Capital	2	2,400,000	2,400,000
Reserves and Surplus	3	(734,242)	(709,642)
		<u>1,665,758</u>	<u>1,690,358</u>
<b>(2) Current Liabilities</b>			
Other current liabilities	4	101,712	83,847
		<u>101,712</u>	<u>83,847</u>
<b>TOTAL</b>		<u><u>1,767,470</u></u>	<u><u>1,774,205</u></u>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
Fixed Asset	5	-	29,700
Long term Investment	6	1,475,000	1,475,000
		<u>1,475,000</u>	<u>1,504,700</u>
<b>(2) Current assets</b>			
Trade receivables	✓	125,387	-
Cash and cash equivalents	7	162,036	264,458
Short-term loans and advances	8	5,047	5,047
Other current assets		-	-
		<u>292,470</u>	<u>269,505</u>
<b>TOTAL</b>		<u><u>1,767,470</u></u>	<u><u>1,774,205</u></u>

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements  
As per our report of even date attached

**For L.N.TODI & CO**

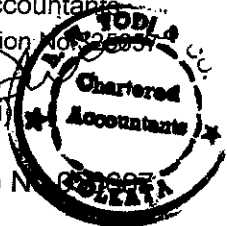
Chartered Accountants

Firm Registration No. 35557

(Murli Lahoti)

Partner

Membership No. 63395



Place : Kolkata.

Date : 13/08/2012

*Ramavanku Bose*  
Director

*Mukesh*  
Director

**MODI UDYOG LIMITED**

Statement of Profit and Loss for the year ended March 31, 2012

*Amount in Rs.*

Particulars	Notes	Year ended on March 31, 2012	Period ended on March 31, 2011
<b>Continuing operations</b>			
<b>Income</b>	9		
Revenue from operations		66,500	58,887
Interest Income		-	1,113
<b>Total Revenue</b>		<u><b>66,500</b></u>	<u><b>60,000</b></u>
<b>Expenses</b>			
Other Expenses	10	91,100	111,186
<b>Total Expenses</b>		<u><b>91,100</b></u>	<u><b>111,186</b></u>
<b>Profit/(Loss) before tax</b>		<b>(24,600)</b>	<b>(51,186)</b>
Tax expense:			
Current tax		-	-
<b>Profit/(Loss) for the year</b>		<u><b>(24,600)</b></u>	<u><b>(51,186)</b></u>
Earnings per equity share (nominal value of share Rs.10)	11		
Basic & Diluted		(0.10)	(0.21)

As per our report of even date attached

**For L.N.TODI & CO**

Chartered Accountants

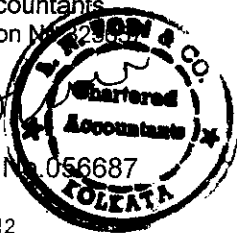
Firm Registration No. 23094 & CO.

Partner

Membership No. 056687

Place : Kolkata

Dated : 13/08/2012



*Ramanath Barik*  
Director

*Mukesh*  
Director



## MODI UDYOG LIMITED

Notes to the financial statements for the year ended March 31, 2012

### 1. Summary of significant accounting policies

#### i) Basis of preparation of financial statements

The accompanying financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company, for preparation and presentation of its financial statements. The same has been followed and it has made significant impact on the presentation and disclosure made in the financial statements.

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make necessary estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in future, actual results ultimately may differ from the estimates.

#### ii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

#### iii) Investment

Long Term Investment are valued at cost. No provision is made in respect of diminution of their value as the same is considered temporary by the management.

#### iv) Impairment of Tangible Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

#### v) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand.

#### vi) Taxation

Tax expenses for the year comprising current tax & deferred tax are considered in determining the net profit for the year. A provision is made for current tax and based on tax liability computed in accordance with relevant tax rates & tax laws. A provision is made for deferred tax for all timing difference arising between taxable incomes & accounting income at currently enacted or substantively enacted tax rates. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

#### vii) Earnings Per Share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Number of equity shares used in computing diluted earnings per share comprises of the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares.



**MODI UDYOG LIMITED**

Notes to Accounts forming part of Balance Sheet and Statement of Profit & Loss

Note No.	Particular	Amount in Rs.	
		March 31, 2012	March 31, 2011
2	<b>Share Capital</b>		
	<u>Authorised</u> 2500000 (Previous year 2500000) Equity Shares of Rs. 10/- each	<u>2,500,000</u>	<u>2,500,000</u>
	<u>Issued, Subscribed and Paid-up Capital</u> 2400000 (Previous year 2400000) Equity Shares of Rs. 10/- each fully paid-up	<u>2,400,000</u>	<u>2,400,000</u>
		<u>2,400,000</u>	<u>2,400,000</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	March 31, 2012		March 31, 2011	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	240,000	2,400,000	-	-
Issued during the period	-	-	240,000	2,400,000
<b>Outstanding at the end of the period</b>	<b>240,000</b>	<b>2,400,000</b>	<b>240,000</b>	<b>2,400,000</b>

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 in the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

3	<b>Reserves &amp; Surplus</b>		
	Surplus/(Deficit) in the statement of profit & loss		
	Balance as per last financial statement	(709,642)	(658,456)
	Loss for the year	(24,600)	(51,186)
	Net surplus in the statement of profit & loss	<u>(734,242)</u>	<u>(709,642)</u>
	<b>Total reserves &amp; surplus</b>	<u><b>(734,242)</b></u>	<u><b>(709,642)</b></u>

5	<b>Other Current Liabilities</b>		
	<b>Other Liabilities</b>		
	Payable for expenses	62,826	62,826
	Audit fee	9,465	4,500
	Listing Fees Payable	10,500	10,500
	Jubilee Corporate Services Pvt Ltd	6,921	6,021
	Dhruba Charan Sahoo	12,000	-
		<u>101,712</u>	<u>83,847</u>



**MODI UDYOG LIMITED**

Notes to Accounts forming part of Balance Sheet and Statement of Profit & Loss

*Amount in Rs.*

Note No.	Particular	March 31, 2012		March 31, 2011	
		Qty	Amount	Qty	Amount
	<b>Investment</b>				
	<b>(Long Term At Cost)</b>				
	<i>In Unquoted Equity Share of Rs 10/- each(Non Trade)</i>				
	Ashay Synthetic Pvt Ltd	16000	400,000	16000	400,000
	Mignasty Commerce Pvt Ltd	7750	775,000	7750	775,000
	Shining Developers Pvt Ltd	3000	300,000	3000	300,000
			<b>1,475,000</b>		<b>1,475,000</b>
<b>8</b>	<b>Cash &amp; Bank Balances</b>				
		<b>Non-current</b>		<b>Current</b>	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	<b>Cash and cash equivalents</b>				
	On Current Account	-	-	15,101	73,988
	Cash-in-hand (as certified)	-	-	146,935	190,470
				<b>162,036</b>	<b>264,458</b>
<b>9</b>	<b>Short Term Loans &amp; Advances</b>				
	<i>Unsecured, considered good</i>				
	Advance Income Tax ( Net of Provision for taxation)		5,047		5,047
			<b>5,047</b>		<b>5,047</b>
<b>10</b>	<b>Income</b>				
	Commission Income		66,500		58,887
	Interest income		-		1,113
			<b>66,500</b>		<b>60,000</b>
<b>11</b>	<b>Other Expenses</b>				
	Accounting Charges		30000		24,000
	Advertisement		-		8,214
	Audit Fee		4965		4,500
	Conveyance		2495		2,183
	Filing Fees		500		4,000
	General Expenses		2990		2,990
	Listing Fees		-		10,500
	Loss on sale of asset		10200		
	Postage & Telegram		1600		1,067
	Printing & Stationery		1400		1,382
	Professional tax		2500		2,500
	Service Charges		400		48,000
	Trade Licence		-		1,850
	Secretarial Fee		12000		-
	Suspense A/c		22050		-
			<b>91,100</b>		<b>111,186</b>



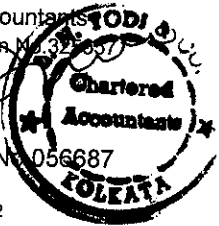
# MODI UDYOG LIMITED

(Amount in Rupees)

## Cash Flow Statement for the year ended March 31, 2012

	Year ended March 31 2012	Year ended March 31 2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extra ordinary items	(24,600)	(51,186)
<u>Adjustment for:</u>		
Loss on sale of fixed asset	10200	
Depreciation	-	
Cash Flow from operations before working capital changes	(14,400)	(51,186)
<u>Adjustment for working capital changes</u>		
Advances	-	
Trade receivables	(125,387)	2,667
Current Liabilities	17,865	15,721
<b>Cash generated from operation</b>	<b>(121,922)</b>	<b>18,388</b>
Direct Taxes Paid	-	
<b>Cash before extra ordinary items</b>	<b>-</b>	<b>18,388</b>
Extra Ordinary Items	-	
<i>Net Cash Generated from Operating Activities</i>	(121,922)	18,388
<b>Cash Flow from operations after working capital changes</b>	<b>(121,922)</b>	<b>(32,798)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Asset	19,500	
<i>Net Cash used in Investing Activities</i>	19,500	
		(32,798)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(102,422)</b>	<b>(32,798)</b>
Cash and Cash equivalents(Opening balance)	264,458	297,256
Cash and Cash equivalents(Closing balance)	162,036	264,458

As per our report of even date attached  
 In terms of our report of even date  
**For L.N.TODI & CO**  
 Chartered Accountants  
 Firm Registration No. 327837  
 (Murli Lahoti)  
 Partner  
 Membership No. 056687  
 Place : Kolkata  
 Dated : 13/08/2012



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*Ramavala Barik*

*Mukherjee*

**Modi Udyog Limited**

91, N.S. Road, 3<sup>rd</sup> 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 30<sup>th</sup> Annual General Meeting at 91, N.S. Road, 3<sup>rd</sup> Floor, Kolkata 700001 on the 28<sup>th</sup> day of September, 2012 at 11.30a.m.

*Name of the Shareholder/Proxy:-*

*Signature of the Shareholder/Proxy:-*

**Modi Udyog Limited**

91, N.S. Road, 3<sup>rd</sup> Floor, Kolkata 700001

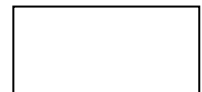
**PROXY FORM**

*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 Thirtieth Annual General Meeting to be held at, 91,  
N.S. Road, 3<sup>rd</sup> Floor, Kolkata 700001 on Friday, the 28<sup>th</sup> day of September 2012 at 11.30 a.m and at  
any adjournment thereof.

*Signed this ----- day of -----, 2012*



**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, 3<sup>rd</sup> Floor,  
Kolkata 700001