



Modiudyog

**ANNUAL REPORT**

**2013-2014**

## *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.

<u>Sr. No</u>	<u>Contents</u>	<u>Page No.</u>
1.	Corporate Information	4
2.	Notice of Annual General Meeting	5
3.	Director's Report & Management Discussion & Analysis	12
4.	Report on Corporate Governance	17
5	CFO Certificate	30
6.	Compliance Certificate	31
7.	Financial Statement	32
8.	Attendance slip and Proxy Form	46

# Corporate Information

## Board of Directors

**Mayank Daga**  
Managing Director

**Abhinaw Kumar Sharma**  
Non Independent / Executive Director

**Manish Roy**  
Independent / Non Executive Director

**Anjana Shaw**  
Independent / Non Executive Director

## Compliance Officer & Company Secretary

**Rachna Pareek**  
Madrasa Road, Hospital Road,, 33 Kulti,  
Burdwan, 713324, West Bengal

## Auditors

**M/s. Prakash Patwari & Company**  
Chartered Accountants  
9/12, LalBazar Street, Mercantile Building,  
3rd Floor, Block-A, Kolkata -700001  
FRN :-325639E  
Contact No: 9748002184

## Bankers

**Punjab National Bank**  
Lyons Range Branch, Kolkata  
Email ID: support@hdfcbank.com  
Website: www.hdfcbank.com

## Registered Office

18-B, Brabourne Road  
2nd Floor, Kolkata - 700 001  
Email-Id: [modiudyogltd@gmail.com](mailto:modiudyogltd@gmail.com)  
Website: [www.modiudyog.org](http://www.modiudyog.org)

# Notice

Notice is hereby given that the **THIRTY SECOND ANNUAL GENERAL MEETING (AGM)** of the **Members of Modi Udyog Limited** will be held at the Registered office of the Company at **18-B, Brabourne Road, 2nd Floor, Kolkata -700001, West Bengal on 30th September, 2014 at 11:30 A.M.** to transact the following business.

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2014, the Balance Sheet as at 31.03.2014 and the Reports of the Directors and Auditors thereon.

**“RESOLVED THAT** the Audited Balance Sheet as at 31.03.2014, Statement of Profit & Loss & Cash Flow Statement for the year ended on 31.03.2014 with schedules and notes along with report of Directors & Auditors, thereon as placed before the board be and are hereby approved.

2. To consider and if thought fit, to pass with or without modification, the following Resolution as **Ordinary Resolution :-**

**“RESOLVED THAT** pursuant to the provisions of Section 139 of Companies Act, 2013 ("Act") and other applicable provisions of the Act, if any and the Rules framed thereunder, as amended from time to time and pursuant to the recommendations of Audit Committee, **M/s. Prakash Patwari & Company, Chartered Accountants (FRN :- 325639E)** who are not disqualified u/s 141 of the Companies Act, 2013 and has expressed their eligibility to accept office, if re-appointed, be and are hereby appointed, as the Statutory Auditors of the Company and to hold office from the conclusion of this Annual General Meeting till the conclusion of 41<sup>st</sup> Annual General Meeting. of the Company to be held in the year 2023 (Subject to ratification of their appointment at every AGM), at such remuneration plus service tax, as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

## **SPECIAL BUSINESS:**

3. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** Mr. Abhinaw Kumar Sharma (DIN : 05238218), who was appointed as an Additional Director of the Company effective from April 04, 2013, by the Board of Directors and who holds office until the conclusion of ensuing Annual General Meeting, pursuant to Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company.

4. To consider and if thought fit, to pass with or without modification, the following Resolution as **Ordinary Resolution** :-

**“RESOLVED that** pursuant to the provisions of sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Ms. Anjana Shaw (DIN: 06885078), a non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for the term of 5 consecutive years i.e, 2014 to 2019”.

5. To consider and if thought fit, to pass with or without modification, the following Resolution as **Ordinary Resolution** :-

**“RESOLVED that** pursuant to the provisions of sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Manish Roy (DIN: 06885083), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for the term of 5 consecutive years i.e. 2014 to 2019”.

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

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with rules framed there under and schedules thereto (including any statutory modification(s) or re-enactment thereof, for the time being in force), as may be amended from time to time, the consent of members be and is hereby accorded to amend & alter the following Articles of the existing Articles of Association of the company, in the following manner:

**Insertion of New Article No.56 (c) after the existing Article 56(b)**

**“56 (c) Voting by members through electronic mode**

A member may exercise his vote at a General Meeting by electronic mode in accordance with Section 108 of the Companies Act ,2013 and rules made there under and shall be eligible to vote only once for a single resolution.”

**By Order of the Board of Directors**

For Modi Udyog Ltd

**Sd/-**

Mayank Daga

Managing Director

**Place:** Kolkata

**Date:** 05th September, 2014

**Registered Office:** 18B, Brabourne Road, 2nd Floor

Kolkata -700001

West Bengal

**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. A person cannot act as proxy on behalf of member not exceeding 50 and holding an aggregate not more than 10% of the total share capital of the company. The Instrument of proxy, in order to be effective, must be completed, stamped, signed and deposited at the Company's Registered Office not less than forty-eight hours before the commencement of the ensuing Annual General Meeting (AGM).**
2. The Register of Members and Share Transfer Books will remain close from 24<sup>TH</sup> September, 2014 to 30th September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
3. Corporate Members are requested to send to the Company's registered office, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
4. Members/Proxies are requested to bring their attendance slip sent herewith, duly filled in, for attending the meeting.
5. Any member desirous of getting any information on the accounts of the company is required to forward his/her queries at least 7 days prior to the meeting so that the required information can be made available at the meeting.
6. Members are requested to intimate change in their address if any immediately to M/s Maheshwari Datamatics Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at 6, Mangoe Lane, 2nd Floor Kolkata - 700 001 Phone - 033 22435029 / 22482248 Fax - 033 22484787.
7. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s Maheshwari Datamatics Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.
8. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
9. Members are requested to bring copies of Annual Report to the Annual General Meeting.
10. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
11. Members are requested to quote their Registered Folio Nos. on all correspondence with the Company.
12. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or

its Registrars and Transfer Agent, M/s. Maheshwari Datamatics Pvt. Ltd. cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants of the members.

13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/Registrar and Transfer Agent.
14. For members who have not registered their e-mail address, physical copies of the Notice of the 32nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that Notice of 32nd Annual General Meeting and Annual Report for 2013-14 will be available on Company's website [www.modiudyog.org](http://www.modiudyog.org). For their download.
15. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communications including annual report, notices, circulars etc. from the company electronically.
16. **Voting through electronic means**
  - i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote by electronic means at the 32<sup>nd</sup> Annual General Meeting (AGM) and the business may be transacted through e-voting services provided by Central Depository Securities Limited (CDSL).
  - ii. The e-voting period commences on 23<sup>rd</sup> September 2014(Tuesday) and 25th September 2014 (Thursday).During this period shareholders of the Company, as on the cut-off date (record date) 29<sup>th</sup> August ,2014 may cast their vote electronically. The business may be transacted through e-voting services provided by Central Depository Securities Limited. (CDSL). During the period, Members of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically The electronic module shall be disabled by CDSL for e-voting thereafter. Once the vote on a resolution is cast by a member, he shall not be allowed to change it subsequently.
  - iii. A separate communication is being sent to members to avail the e-voting facility. the Company has appointed **Mr. Anurag Fatehpuria**, Practising Company Secretary, **C.P. No. 12855** to act as a Scrutinizer. for conducting the Scrutiny of votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
  - iv. The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the date (record date) of 29<sup>th</sup> August, 2014.
  - v. **The instructions for members for voting electronically are given in a separate sheet.**



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO. 3

Mr. **Abhinaw Kumar Sharma (05238218)** was appointed as an Additional Director by the Board of Directors with effect from April 04, 2013 and in terms of the provisions of the Act read with relevant provisions of the Companies Act, 1956, he holds office till the conclusion of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act 2013 along with the deposit of the requisite amount proposing his candidature for the office of Director of the Company liable to retire by rotation.

Mr. **Abhinaw Kumar Sharma (05238218)** is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Board considers it desirable to have the benefit of his advice and guidance and recommends the resolution at Item No. 3 for approval of the members as an Ordinary Resolution.

Save and except **Mr. Abhinaw Kumar Sharma** as an appointee and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No.3 of the Notice.

### ITEM NO. 4

Ms. Anjana Shaw has given a declaration to the Board that she meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013. Under the Companies Act, 2013, the Company is required to appoint Independent Directors for a fixed term and their office shall not be liable to determination by retirement of directors by rotation. Accordingly, in compliance of Section 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013, Ms. Anjana Shaw being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director upto 31st March, 2019. A notice has been received from a member proposing Ms. Anjana Shaw as a candidate for the office of Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Anjana Shaw as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Anjana Shaw as an Independent Director, for the approval by the shareholders of the Company.

### ITEM NO. 5

Mr. Manish Roy has given a declaration to the Board that she meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013. Under the Companies Act, 2013, the Company is required to appoint Independent Directors for a fixed term and their office shall not be liable to determination by retirement of directors by rotation. Accordingly, in compliance of Section 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013, Mr. Manish Roy being eligible and offering himself for appointment, is proposed to be appointed as an

Independent Director upto 31st March, 2019. A notice has been received from a member proposing Mr. Manish Roy as a candidate for the office of Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Manish Roy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Manish Roy as an Independent Director, for the approval by the shareholders of the Company.

A copy of the Articles of Association of the Company together with the proposed alterations is available for inspection by the members of the Company at the Registered Office of the Company between 11:00 am and 1:00 pm on all working days except Saturdays, till the date of the Annual General Meeting of the Company.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of their shareholding in the Company.

Your Directors recommend the Special Resolution as set out in the notice for your approval.

**ITEM NO.6**

A member may exercise his vote at a General Meeting by electronic mode in accordance with Section 108 of the Companies Act, 2013. Thus, Article No. 56 (c) after the Article 56 (b) has been inserted in the Articles of Association

## **Instructions For E- Voting:**

### **The e-Voting process to be followed by the shareholders to cast their votes:**

- The security holders should log on to [www.evotingindia.com](http://www.evotingindia.com) during the duration of the voting period and cast their votes for the resolutions on the e-Voting System.
- Shareholders who have voted on an earlier instance of voting can login using their existing password.
- First time shareholders can login to the e-Voting system using their user-id (i.e. demat account number / folio number), PAN and Date of Birth (DOB) or Bank account number mentioned for the said demat account or folio. Physical shareholders will have to login with the Folio number, PAN and either DOB or Dividend Bank details for every voting.
- After logging in, demat security holders will have to mandatorily change their password. This password can be used by demat security holders for all future voting on resolutions of companies in which they are eligible to vote. Security holders have to then select the EVSN for which they desire to vote.
- Security holders can then cast their vote on the resolutions available for voting.
- Security holders can also view the resolution details on the e-Voting website.
- Once the security holder casts the vote, the system will not allow modification of the same.
- During the voting period, security holders can login any number of times till they have voted on all the resolutions. However, once the security holder has voted on a resolution he/she would not be able to vote for the same resolution but, only view the voting.

### **E-Voting for Scrutinizers:**

At the end of the voting period, the scrutinizer can download the entire voting data using the Scrutinizer login.

### **E-Voting for Non-Individuals and Custodians:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate Shareholders and Custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a compliance user should be created who would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evotingindia.com](mailto:helpdesk.evotingindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same

# Director's Report & Management Discussion Analysis

TO

THE MEMBERS OF

## **MODI UDYOG LIMITED**

Your Directors have the pleasure to present their 32<sup>nd</sup> Annual Report together with Audited Statement of Accounts and Auditor's Report of the Company for the financial year ended 31<sup>st</sup> March, 2014

### **OPERATION AND FINANCIAL RESULT**

Your Directors report that the working of the Company for the year under review has resulted in a Profit of Rs. 1,83,619/-(after tax).

### **DIVIDEND**

In view of nominal profit during the year & for better prospective & expansion, your Directors do not propose any dividend.

### **APPOINTMENT OF DIRECTORS**

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956, the Directors of the Company are eligible for retirement by rotation.

### **APPOINTMENT OF AUDITORS**

**M/s. Prakash Patwari & Company, Chartered Accountants (FRN :- 325639E)** who are not disqualified u/s 141 of the Companies Act, 2013 and has expressed their eligibility to accept office if re-appointed, be and are hereby appointed, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 41<sup>st</sup> Annual General Meeting of the Company to be held in the year 2023 (Subject to ratification of their appointment at every AGM), at such remuneration plus service tax, as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

### **INCREASE OF PAID UP CAPITAL**

The paid up capital of the company has been increased from Rs. 2,400,000 to Rs. 302,400,000 during the year through preferential issue at a price of Rs 10/- per share.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGOINGS:**

The necessary information U/s 217(1)(e) of the Companies Act, 1956 as required by the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 for Conservation of Energy, technology absorption and Foreign Exchange Earnings & Outgoings are not applicable to the Company.

**RESEARCH AND DEVELOPMENT:**

NIL

**AUDITORS REPORT**

As regards the observations in the Auditor's Report the explanations given in the Notes to the Accounts are self-explanatory.

**PARTICULARS OF EMPLOYEES:**

Particulars of employees as required U/s 217(2A) of the Companies Act, 1956 as amended, are not applicable to the Company.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Your directors hereby report:

- a) The accounting standards were followed in the preparation of annual accounts of the year under-review.
- b) That the Directors have selected such accounting policies and applied them consistently & made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 and of Profit & Loss for the year ended on that date.
- c) 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.
- d) That annual accounts have been prepared on a going concern basis.

**SECRETARIAL COMPLIANCE CERTIFICATE**

Secretarial compliance certificate pursuant to section 383A of the Companies (Amendment) Act, 2000 is attached herewith as Annexure.

**ACKNOWLEDGEMENT**

Your Directors wish to acknowledge the continued faith and confidence reposed by the shareholders in the company.

**Place: Kolkata**  
**Dated: 28.05.2014**

**By Order Of the Board**  
**For Modi Udyog Ltd**

**S/d**  
**Mayank Daga**  
**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
- Textile Industry Overview
- Internal Control Systems and adequacy
- Material Development in Human Resources

## **Overview of Indian Economy**

India is the most attractive investment destination in the world, according to a survey by global consultancy firm Ernst & Young (EY). The Indian economy is expected to grow at 3.4 per cent in the current fiscal, a slight increase from 3.3 per cent in FY 2012–13, as per projections from the Organization for Economic Co-operation and Development (OECD). The growth is estimated to be even greater in FY 2014–15 (5.1 per cent) and FY 2015–16 (5.7 per cent).

India's exports have also been doing well, touching US\$ 303 billion in FY 2012–13, almost double of what it managed (US\$ 167 billion) four years ago. Experts express confidence that the figure will scale US\$ 325 billion by the end of the current fiscal. The US\$ 1.2 trillion investment planned in the infrastructure sector will go a long way in boosting export performance of Indian companies and the Indian growth story, according to Mr Anand Sharma, Union Minister for Commerce and Industry, Government of India.

The HSBC Trade Confidence Index, the largest trade confidence survey in the world, has positioned India at the top with 142 points. The increasing demand due to its population makes the country a good market for consumption goods, according to the report.

### **The Economic Scenario**

India's industrial economy is gathering momentum on the back of improved output of eight core sector industries – coal, crude oil, refining, steel, cement, natural gas, fertilizers and electricity – which, at 8 per cent in September 2013, rose at its fastest pace in a year. The Cabinet Committee on Investments (CCI) has approved the speedy execution of 36 infrastructure projects entailing investments of Rs 1,830 billion (US\$ 29.28 billion) to boost investor confidence, according to Mr. P Chidambaram, Union Minister for Finance, Government of India. Some of the other important economic developments in the country are as follows:

- Indian companies signed as many as 360 private equity (PE) deals totaling US\$ 8.9 billion during the January–October 2013 period, registering an increase of 33 per cent over the corresponding period a

year ago. In the first 10 months of 2012, India Inc had announced 345 transactions worth US\$ 6.7 billion, according to a report by global assurance, tax and advisory firm Grant Thornton.

- Indian corporates raised Rs 1,700 billion (US\$ 27.20 billion) through commercial papers (CPs) during the first half of FY 2013–14. A total of 169 issuers raised this amount, according to a report by Prime Database.
- Exports from India during August 2013 were valued at Rs 1,652.02 billion (US\$ 26.42 billion), registering a growth of 28.53 per cent as compared to Rs 1,285.35 billion (US\$ 20.56 billion) during August 2012.
- The cumulative amount of FDI equity inflows into India were worth US\$ 303.06 billion in the April 2000–August 2013 period, according to the latest data published by Department of Industrial Policy and Promotion (DIPP).
- Foreign exchange (Forex) reserves of India rose in the week ending October 11, 2013 by US\$ 1.5 billion to US\$ 279.24 billion, according to data released by the Reserve Bank of India (RBI).

## Textile Industry overview

The Indian Textile Industry is one of the leading industries in the world. Liberalization of the Indian economy in 1991 gave the much-needed thrust to the Indian economy, which is now turning out to be the largest in the world. The Indian Textiles Industry has a vast presence in the economic life of the country. Apart from providing the basic necessities of life, it also plays a significant role through its contribution to various macro-economic factors of the country. At present, it contributes about 14% to industrial production, 4% to the Gross Domestic Product (GDP), and 11% to the country's export earnings. It is also one of the largest sectors in the country in terms of employment. generation. It provides direct employment to over 35 million people, which includes a substantial number of Schedule Caste / Schedule Tribe, and women. It not only generates job in this industry but also opens up space in other ancillary sectors. Its proximity to agriculture and the ancient culture and tradition of country also make the Indian textiles sector unique compared to the textiles industry of other countries.\*The Indian textile industry is one of the largest contributors to Indian exports. A report on increasing India's manufacturing exports submitted by the Working Group constituted by the Planning Commission during the XIIth Five Year Plan (2014-17), envisages India's exports of Textiles and Clothing at \$32.35 billion by the end of the XIth Five Year plan, against the earlier target of \$55 billion envisaged in the Report of Working Group on Textiles for the XIth Five Year Plan and based on historic growth rate of 10%, Compounded Annualized Growth Rate (CAGR). A business-as-usual approach will result in exports of \$52 billion by the end of the XIth Plan. An export target of \$65 billion and creation of 25 million additional jobs has been proposed with a CAGR of 15% during the XII Plan.\* The Indian textiles industry is extremely varied. It includes hand-spun and hand-woven sector on one hand and capital intensive, sophisticated mill sector on the other. Power looms / hosiery and knitting sectors are also some of the largest sections of the Textiles sector. The major sub-sectors that comprise the textiles sector include the organized Cotton/Man-Made Fibre Textiles Mill Industry, the Man-Made Fibre / Filament Yarn Industry, the Wool and Woolen Textiles Industry, the Sericulture and Silk Textiles Industry, Handlooms, Handicrafts, the Jute and Jute Textiles Industry, and Textiles Exports. The Government of India is also promoting a number of policies for the textile sector. Some of the measures taken by the Government are as under:

- Health insurance and life insurance cover to the weavers and ancillary workers under Rajiv Gandhi Shilpi Swasthya Bima Yojna.

- Technology Up gradation Fund Scheme (TUFS) has also been introduced which provides interest reimbursement / capital subsidy and margin money subsidy for technology up gradation, which will lead to cost effectiveness as well as improve quality.
- The Textile Workers' Rehabilitation Fund Scheme (TWRFS) came into force with the objective to provide interim relief to textile workers rendered unemployed as a consequence of permanent closure of any particular portion or the entire textile unit.
- The schemes for mega cluster has been launched which will provide for development of all the facets of selected clusters like raw material support, design inputs, up gradation of technology, infrastructure development, marketing support, welfare of weavers etc.
- Providing facility of E-Marketing.
- Through "Integrated Skill Development program", lots of people are being trained.
- Financial package for waiver of overdues has also been announced.
- Several textile parks with world-class infrastructure facility has also been approved which would lead to employment generation. In 2014-2014, the Indian economy has witnessed moderation in growth. Turbulent global conditions, rupee depreciation, rising inflation, coupled with a weak industrial sector have emerged as key challenges for the Indian economy. However, despite these challenges, favorable demographic conditions and rising income level will help to keep growth story of India's domestic demand intact.

*\*Source: Ministry of Textiles, Annual Report – 2013-14*

## **RESULT OF OPERATIONS:**

During the fiscal 2014, the total Revenue generated by the Company was Rs.5855000.00 and during the previous year it was Rs.55245.00. Profit after tax for the fiscal 2014 was Rs.183619.00 as compared to the previous year's Rs. Rs.829.00

- Gross Revenue stood at Rs. 5855000.00 Lacs for fiscal 2014
- Profit before Taxes of fiscal 2014 was Rs.265,730.00
- Profit After Taxes of fiscal 2014 was Rs.183,619.00
- Basic Earnings per share for fiscal 2014 was Rs.0.0066 per share.

## **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 Human 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.



# Report on Corporate Governance:

## 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.

## 1. BOARD OF DIRECTORS

### 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 4 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 31.03.2014, 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>DIN</u>	<u>Designation</u>	<u>Executive/ Non Executive/Promoter</u>	<u>Independent/ Non Independent</u>
1	Mayank Daga*	02330866	Managing Director	Executive	Executive
2.	Abhinaw Kumar Sharma	05238218	Director	Executive	Promoter
3.	Anjana Shaw*	06885078	Director	Non-Executive	Independent
4.	Manish Roy*	06885083	Director	Non-Executive	Independent
5.	Debjit Chakraborty*	02382071	Director	Non-Executive	Non - Independent

6.	Rajesh Kumar Agarwal*	00547264	Director	Non-Executive	Independent
7.	Ramakanta Barik*	00648204	Director	EXECUTIVE DIRECTOR	Non Independent
8.	Mukesh Kumar Kabra*	00397152	Director	Non-Executive	Independent
9.	Partha Pal*	02382054	Director	Non-Executive	Promoter

\*Note: Anjana Shaw & Manish was appointed as Additional Director on 29.05.2014

\*Note : Ramakanta Barik & Mukesh Kumar Kabra has ceased w.e.f 05.09.2013

\*Note: Rajesh Kumar Agarwal & Debjit Chakraborty has ceased w.e.f 31.05.2014

\*Note: Partha Pal has ceased w.e.f 04.04.2013

\*Note: Mr. Mayank Daga has been appointed as Additional Director on 04.04.2013 and appointed as Managing Director on 30.04.2014.

**Board Meetings held in the Financial Year 2013-2014 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, 2014– 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, 2014, meeting of the Board of Directors was held 7 (seven) times on: 20/04/2013, 24/04/2013, 04/05/2013, 27/07/2013, 05/09/2013, 22/10/2013, 28/01/2014.

Details of Directors who attended the Board Meeting during the Financial Year 2013-14

<u>Name</u>	<u>Designation</u>	<u>Board Meeting s 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>
Mayank Daga*	Executive	7	Yes	Nil	Nil
Abhinaw Kumar Sharma	Executive	7	Yes	1	Nil
Anjana Shaw*	Non-Executive	0	No	Nil	Nil

Manish Roy*	Non-Executive	0	No	Nil	Nil
Debjit Chakraborty*	Non-Executive	7	No	Nil	Nil
Rajesh Kumar Agarwal*	Non-Executive	7	No	Nil	Nil
Ramakanta Barik*	Executive Director	4	No	Nil	Nil
Mukesh Kumar Kabra*	Non-Executive	4	No	Nil	Nil
Partha Pal*	Non-Executive/	0	No	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) 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. SHAREHOLDER' INVESTOR GRIEVANCE COMMITTEE

## **I. AUDIT COMMITTEE:**

Your Company has an Audit committee comprising of 2 (Two) Non executive Directors and (1) 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)

### **Authority and Responsibilities**

1. The Audit Committee reviews the Company's financial reporting process, disclosure of accounting treatment, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, Compliance with listing and other legal requirements relating to financial statements, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company's accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, scope for observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on, To review the functioning of the Whistle Blower mechanism, Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate etc.

### **In addition to the above, Following is the review of Audit Committee:**

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
4. Internal audit reports relating to internal control weaknesses;
5. To review the annual financial statements and to recommend their adoption to the Board, with particular Reference to disclosure of any related party transaction.
6. To review the Quarterly financial statements and recommend their adoption to the Board.
7. The appointment, removal and terms of remuneration of the Chief internal auditor;  
As required under Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement, the new "Terms of Reference" of the Audit Committee were approved by the Board of Directors.

During the financial year ended on 31<sup>st</sup> March, 2014, Six (6) meetings of the Audit committee were held on 19/04/2013, 02/05/2013, 24/07/2013, 18/10/2013, 25/01/2014, 25/03/2014; 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>
Rajesh Kumar Agarwal*	Chairman	Independent Director/Non-Executive	6
Debjit Chakraborty*	Member	Independent Director/Non-Executive	6
Mayank Daga*	Member	Executive Director	6

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, 2014 were duly reviewed by the Audit Committee at its meeting held on **27th May, 2014** prior to adoption by the Board.

## **II. 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, 2014, four (4) meetings of the Committee were held on 18.04.2013, 22.07.2013, 28.10.2013, 20.01.2014 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>	<u>Meetings Attended</u>
Rajesh Kumar Agarwal*	Chairman	Independent Director/Non-Executive	4
Debjit Chakraborty*	Member	Independent Director/Non-Executive	4
Mayank Daga*	Member	Executive Director	4

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, 2013	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, 2014	0

### **III. 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.

### **IV. 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, 2014.

### **VI. 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.

For Modi Udyog Ltd

**Sd/-**  
Mayank Daga  
**Managing Director**

**Place:** Kolkata

**Date:** 28<sup>th</sup> May, 2014

**Registered Office:** 3A, Mango Lane, 4th Floor, Kolkata - 700 001

## **VII. GENERAL BODY MEETING:**

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

<b><u>Annual General Meeting</u></b>	<b><u>Date &amp; Time</u></b>	<b><u>Venue</u></b>
31st March, 2013	30 <sup>th</sup> September, 2013, at 11:30 A.M	3A, Mangoe Lane, 4 <sup>th</sup> Floor, Kolkata - 700 001
31st March, 2012	28 <sup>th</sup> September, 2012, at 11.30 A.M	91, N.S. Road, 3rd Floor, Room No. 65, Kolkata 700001 West Bengal
31st March, 2011	30 <sup>th</sup> September, 2011, at 11.30 A.M	91, N.S. Road, 3rd Floor, Room No. 65, Kolkata 700001 West Bengal

(B) Location & time of the Extra- Ordinary Annual General Meetings held during the Year:

<b><u>Date</u></b>	<b><u>Venue</u></b>	<b><u>Matter</u></b>
15.04.2013	91, N.S.Road, 3rd Floor, Room No - 65, Kolkata - 700 001	Increase in Authorized Share Capital
24.04.2013	91, N.S.Road, 3rd Floor, Room No - 65, Kolkata - 700 001	Allotment of shares on Preferential Basis

## **.CHANGE OF REGISTERED OFFICE**

The registered office of the Company has been shifted from 91, N. S. ROAD, 3RD FLOOR, ROOM NO-65, KOLKATA-700001, West Bengal INDIA to 3A, MANGO LANE ,4<sup>th</sup> Floor, Kolkata- 700001, West Bengal w.e.f. 04<sup>th</sup> May, 2013. Presently registered office of the Company is 18B Braboune Road, 2<sup>nd</sup> Floor, Kolkata-700001, West Bengal.

## **VIII. POSTAL BALLOT:**

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

## **IX. DETAILS OF COMPLIANCE OFFICER:**

<b>Name</b>	RACHNA PAREEK
<b>Address:</b>	18-B, BRABOURNE ROAD, 2ND FLOOR, Kolkata - 700 001
<b>Phone No.</b>	033-40081135
<b>Email-Id</b>	<a href="mailto:modiudyogltd@gmail.com">modiudyogltd@gmail.com</a>

## **X.DISCLOSURE:**

(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, 2014 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, 2014.

### **(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.



## **XI. MEANS OF COMMUNICATIONS:**

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Stock Exchange where the company is listed and has been published in the leading English Newspapers and in vernacular language Newspaper.

## **XII. GENERAL SHAREHOLDER INFORMATION:**

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

## **XIII. SHAREHOLDERS’ INFORMATION:**

### **a. Annual General Meeting**

The information regarding Annual General Meeting for the financial year ended on 31st March 2014 is as follows :-

<b>a. Day &amp; Date</b>	: Tuesday, 30th September, 2014
<b>Time</b>	: 11:30 A.M.
<b>Venue</b>	: 18B Brabourne Road , 2 <sup>nd</sup> Floor, Kolkata-700001, West Bengal

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

Financial reporting for the quarter ending June 30,2014	Within 45 days of end of Quarter
Financial reporting for the quarter ending September 30,2014	
Financial reporting for the quarter ending December 31,2014	
Financial reporting for the quarter ending March 31,2015	Within 60 days of end of Quarter
Annual General Meeting for the year ending 31 <sup>st</sup> March,2014	Last week of September 2014

**c. Financial Year** : 1st April 2013 to 31<sup>st</sup> March, 2014.

**d. Date of Book Closure** : 24<sup>th</sup> to 30th September, 2014

- 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** : INE115R01012 (Obtained in the F.Y. 2014-15)
- h. Stock Code** : Scrip Code 23152 on CSE,
- i. Market Price Data** : Their is no trading in the Scrip during the year
- j. Registrar & Share Transfer Agent** : **Maheswari Datamatics Pvt.Ltd**  
6, Mangoe Lane, 2nd Floor  
Kolkata-700001  
Ph.No. 033 22435029/ 22482248  
Fax: 033 2248 4787  
Email Id: [Info@mdpl.in](mailto:Info@mdpl.in)  
Website: [www.mdpl.in](http://www.mdpl.in)

**k. Share Transfer Systems:**

As on 31st March, 2014, 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.

## I. Shareholding pattern as on 31<sup>st</sup> March 2014

- Distribution of Shareholding as on 31st March, 2014:

<u>SHAREHOLDING IN NOMINAL VALUE</u>	<u>NO. OF SHAREHOLDERS</u>	<u>%</u>	<u>NO. OF SHARES</u>	<u>%</u>
UPTO 5000	473	91.313	108870	0.350
5001-10000	2	0.386	1600	0.005
10001-20000	3	0.579	5600	0.019
20001-30000	3	0.579	8100	0.02
30001-40000	1	0.193	4000	0.013
40001-50000	6	1.158	29930	0.09
50001-100000	9	1.737	81900	0.271
100001 AND ABOVE	21	4.055	30000000	99.23
<b>TOTAL</b>	<b>518</b>	<b>100</b>	<b>30240000</b>	<b>100.00</b>

- Category of Shareholders as on 31st March, 2014:

<u>Category</u>	<u>No. of Shares Held</u>	<u>% of shareholdings</u>
Promoters & Promoter Group	1031030	3.41
Institutional Investors	--	
Bodies Corporate	29067030	96.12
Indian Public	--	
Individual	141940	0.47
<b>Total</b>	<b>30240000</b>	<b>100%</b>

**m. Dematerialization of Equity Shares & Liquidity**

Particulars of Shares	Equity Shares of Rs.10 each	
	Number	% of Total
Physical Form	30240000	100
Demat Form	-	-
<b>Total</b>	<b>30240000</b>	<b>100</b>

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

Not Applicable

**o. 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.

**p. Investors' Correspondence:**

Shareholders can contact the Company for Secretarial matters at:

3A, Mango Lane, 4th Floor, Room No. 65  
Kolkata - 700 001

## Chairman's Declaration on Code of Conduct

As required by Clause 49 of Listing Agreement, the Chairman Declaration for Code of Conduct is given below:

To  
The Members of  
**MODI UDYOG LIMITED**

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
- (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Kolkata  
Date: 28<sup>th</sup> May, 2014

**Registered Office :**  
3A, Mangoe Lane, 4th Floor, Kolkata -700001, West  
Bengal

On Behalf of the Board  
**For MODI UDYOG LIMITED**

S/d  
Mayank Daga

**Managing Director**

## CEO CERTIFICATION TO THE BOARD

The Board of Directors

**MODI UDYOG LIMITED**

Ref- Financial Statements for the period ended March 31, 2014:

I, Mayank Daga, Director, of the Company on the basis of the review of the financial statements for the year ended on 31st March, 2014 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 31,2014, 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:
- e) Significant changes in internal control over financial reporting during the year;
- f) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- g) 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  
**For MODI UDYOG LIMITED**

Sd/-  
Mr. Mayank Daga  
**(Managing Director)**

Place: Kolkata

Date: 28th May, 2014

## Compliance Certificate

To,  
The Members,  
MODI UDYOG LIMITED  
3A, Mango Lane, 4<sup>th</sup> Floor, Room No. 65,  
Kolkata – 700 001

We have examined the compliance of Corporate Governance by **MODI UDYOG LIMITED** for the year ended on 31st March, 2014, 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 suing 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.

**Place:** Kolkata  
**Date:** 28<sup>th</sup> May, 2014

**Practicing Company Secretary**  
**Sd/-**  
**Mr. Anurag Fatehpuria**  
**C.P. No. 12855**

# Financial Statement

## AUDITOR'S REPORT

To the Members of

### **MODI UDYOG LIMITED**

We have audited the accompanying financial statements of **MODI UDYOG LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
  - b) in the case of the Profit and Loss statement, of the profit for the year ended on that date; and
  - c) in the case of the cash Flow Statement, of the cash flows of the company for the year ended on that date.
- 1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
  - 2) As required by section 227(3) of the Act, 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 account as required by 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 and 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 and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
    - e) on the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
    - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**In terms of our report of even date**

**Place: Kolkata**

**Date: 28.05.2014**

**For Prakash Patwari & Co.  
Chartered Accountants  
FRN 325639E**

**Sd/-**

**(Om Prakash Khajanchi)  
Partner  
M. No. 065549**

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 2 of our Report of even dated on the accounts of **MODI UDYOG LIMITED** for the year ended on 31<sup>st</sup> March, 2014.

- 1 (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The fixed assets have been physically verified by the management as during the period at reasonable interval. No material discrepancies were noticed on such verification.  
  
(c) None of the fixed assets of the company were disposed off during the year.
  
- 2 (a) The inventory have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.  
  
(b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.  
  
(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between book physical stock and book records were properly dealt with.
  
- 3 The Company has not granted nor taken any loan, secured or unsecured to or from Companies. Firms and other parties listed in the Register maintained under section 301 of the Companies Act, 1956.
  
- 4 In our opinion and accordance to the information and explanation given to us, there are adequate internal control procedures, commensurate with the size of the company and nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
  
- 5 On the basis of our examination of the books of accounts, we are of the opinion that the company has not entered into any transactions exceeding Rs.5,00,000/- in respect of any party during the financial year that need to be entered in the register pursuant to Section 301 of the Act.
  
- 6 The company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Section 58 A and 58 AA of the Companies, Act, 1956 and the rules framed thereunder are not applicable.
  
- 7 In our opinion the Company has an Internal Audit System commensurate with the size of the Company and nature of its business.
  
- 8 According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies, Act, 1956 in respect of the services carried out by the Company.

- 9 (a) According to the information and explanation given to us, and on the basis of our examination of the books of account, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, custom duty, investor education and protection fund, wealth tax and any other material statutory dues applicable to it.
- (b) There was no undisputed dues payable in respect of Income Tax, Wealth Tax, Custom duty and cess were outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they become payable.
- (c) According to the information and explanation given to us, there are no dues in respect of sales tax, income tax, custom duty, wealth tax, excise duty, and cess that have not been deposited with the appropriate authorities on account of any dispute.
- 10 The Company has incurred a Profit before tax of Rs. 2,65,730/- during the period under audit.
- 11 In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- 12 The Company has not granted any Loans and Advances on the basis of security by way of pledge of shares, debentures and other similar securities as explained to us.
- 13 The company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order 2003 are not applicable to the company.
- 14 In our opinion, the Company has maintained proper records of the transactions and contracts of the investments dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name except to the extent of the exemption u/s 49 of the Act.
- 15 The company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16 The company has not obtained any term loans. Accordingly, clause 4(xvi) of the order is not applicable.
- 17 On the basis of an overall examination of the Balance Sheet and Cash Flows of the Company and the information and explanation given to us, we report that the Company has not utilized any funds raised on short term basis for long term investments and vice versa.
- 18 The company has maintained the Register maintained under section 301 of the Companies Act, 1956.
- 19 The Company has not issued any debentures. Accordingly, clause (xix) of the Order is not applicable.
- 20 The Company has not raised any money by public issues during the year. Accordingly, clause 4 (xx) of the order is not applicable.

21 According to the information and explanation given to us during the course of our audit, no fraud on or by the company has been noticed or reported during the year.

**In terms of our report of even date**

**Place: Kolkata**

**Date: 28.05.2014**

**For Prakash Patwari & Co.  
Chartered Accountants  
FRN 325639E**

**Sd/-**

**(Om Prakash Khajanchi)  
Partner  
M. No. 065549**

# MODI UDYOG LIMITED

## BALANCE SHEET as at 31<sup>st</sup> MARCH 2014

Amount in ₹

Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	A	302,400,000	2,400,000
Reserves and Surplus	B	(2,868,544)	(733,413)
		<b>299,531,456</b>	<b>1,666,587</b>
<b>Current Liabilities</b>			
Other Current Liabilities	C	2,339,750	81,114
Short-term Provisions	D	82,111	371
		<b>2,421,861</b>	<b>81,485</b>
		<b>301,953,317</b>	<b>1,748,072</b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Non Current Investments	E	301,475,000	1,475,000
		<b>301,475,000</b>	<b>1,475,000</b>
<b>Current Assets</b>			
Trade Receivables	F	-	125,387
Cash and Bank Balances	G	473,270	142,638
Short-term Loans and Advances	H	5,047	5,047
		<b>478,317</b>	<b>273,072</b>
		<b>301,953,317</b>	<b>1,748,072</b>
Significant Accounting Policies	V	-	-

The notes referred to above form an integral part of the Balance Sheet

In terms of our report of even date annexed

**For Prakash Patwari & Co.**

Chartered Accountants

FRN: 325639E

Sd/-

**(Om Prakash Khajanchi)**

Partner

Membership No. 065549

Kolkata, 28th May, 2014

**For and on behalf of the Board**

Sd/-

**Manish Roy**  
(Director)

Sd/-

**Mayank Daga**  
(Director)

Sd/-

**Abhinaw Kumar Sharma**  
(Director)

# MODI UDYOG LIMITED

## STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> MARCH 2014

Amount in ₹

Particulars	Note No.	Year Ended 31st March 2014	Year Ended 31st March 2013
<b><u>INCOME</u></b>			
Revenue from Operations (gross)	I	5,855,000	-
Less : Excise Duty		-	-
Revenue from Operations (net)		5,855,000	-
Other Income	J	-	55,245
	<b>"I"</b>	<b>5,855,000</b>	<b>55,245</b>
<b><u>EXPENDITURE</u></b>			
Purchase of Traded Goods		5,493,280	-
Other Expenses	K	95,990	54,045
	<b>"II"</b>	<b>5,589,270</b>	<b>54,045</b>
<b>PROFIT BEFORE TAX</b>	<b>(I-II)</b>	<b>265,730</b>	<b>1,200</b>
<b>TAX EXPENSES :</b>			
Current Tax		82,111	371
Earlier Years		-	-
<b>NET TAX EXPENSES</b>		<b>82,111</b>	<b>371</b>
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>183,619</b>	<b>829</b>
<b>Earnings Per Equity Share</b>			
Basic	L	0.0066	0.0035
Diluted		0.0066	0.0035
Significant Accounting Policies	V		

The notes referred to above form an integral part of the Statement of Profit and Loss

In terms of our report of even date annexed

**For Prakash Patwari & Co.**

Chartered Accountants

FRN: 325639E

Sd/-

**(Om Prakash Khajanchi)**

Partner

Membership No. 065549

Kolkata, 28th May, 2014

**For and on behalf of the Board**

Sd/-

**Manish Roy**

Director

Sd/-

**Mayank Daga**

Director

Sd/-

**Abhinaw Kumar Sharma**

Director

# MODI UDYOG LIMITED

## CASH FLOW STATEMENT for the year ended 31st MARCH, 2014

Amount in ₹

Particulars	Year Ended 31st March 2014	Year Ended 31st March 2013
A Cash Flow from Operating Activities :		
Net Profit/(Loss) before tax	265,730	1,200
Adjustments for:		
Interest Income	-	-
Operating Profit before working capital changes	265,730	1,200
Increase / (Decrease) in Other Current Liabilities	(60,485)	(20,598)
(Increase) / Decrease in Trade Receivables	125,387	-
(Increase) / Decrease in Short Term Loans & Advances	-	-
Operating Profit after working capital changes	330,632	(19,398)
<b>Net Cash from/ (used in) Operating Activities</b>	<b>330,632</b>	<b>(19,398)</b>
( A )		
B Cash Flow from Investing Activities :		
Sale of Fised Assets	-	-
Interest Income	-	-
<b>Net Cash from/ (used in) Investing Activities</b>	<b>-</b>	<b>-</b>
( B )		
C Cash Flow from Financing Activities :		
<b>Net Cash from/ (used in) Financing Activities</b>	<b>-</b>	<b>-</b>
( C )		
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>330,632</b>	<b>(19,398)</b>
(A+B+C)		
Cash & Cash Equivalents as at the beginning of the year	142,638	162,036
Cash & Cash Equivalents as at the end of the year	473,270	142,638

**For Prakash Patwari & Co.**

Chartered Accountants

FRN: 325639E

Sd/-

**(Om Prakash Khajanchi)**

Partner

Membership No. 065549

Kolkata, 28th May, 2014

**For and on behalf of the Board**

Sd/-

**Manish Roy**

Director

Sd/-

**Mayank Daga**

Director

Sd/-

**Abhinaw Kumar Sharma**

Director

## MODI UDYOG LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** for the year ended 31<sup>st</sup> MARCH 2014

(Amount in ₹)

### A. SHARE CAPITAL

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Authorised Shares</b>		
3,02,50,000 (P.Y. 2,50,000) Equity Shares of ₹ 10/- each	302,500,000	2,500,000
	<b>302,500,000</b>	<b>2,500,000</b>
<b>Issued, Subscribed &amp; Fully paid-up shares</b>		
3,02,40,000 (P.Y. 2,40,000) Equity Shares of ₹ 10/- each	302,400,000	2,400,000
	<b>302,400,000</b>	<b>2,400,000</b>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Shares outstanding at the beginning of the year	240,000	2,400,000	240,000	2,400,000
Add : Addition during the year	30,000,000	300,000,000	-	-
Less : Buy back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>30,240,000</b>	<b>302,400,000</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 ₹ 10 per shares. Each holder of equity shares is entitled to one vote per share. Any shareholder whose name is entered in the Registrar of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company in general meeting can't declare dividend in excess of the amount recommended by the Board. Dividend as declared in the ensuing Annual General Meeting, shall be distributed within the period provided in section 207 of the Companies Act, 1956.

In the event of Winding up of the Company, Equity Shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. For the said purpose, the liquidator may set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out between the members.

(c) Details of Shareholders holding more than 5 % (percent) shares in the Company :

Particulars	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity Shares of ₹ 10 each fully paid-up</b>				
Not Applicable				

### B. RESERVES & SURPLUS

Particulars	As at 31st March 2014	As at 31st March 2013
	(Amount in ₹)	(Amount in ₹)
<b>Surplus / (Deficit) in the Statement of Profit and Loss</b>		
Balance as per last financial statements	(733,413)	(734,242)
Add : Net Profit / (Net Loss) for the year	183,619	829
Less: ROC Filing Fees Payable	2,318,750	
<b>Net Surplus / (Deficit) in the Statement of Profit and Loss</b>	<b>(2,868,544)</b>	<b>(733,413)</b>



**MODI UDYOG LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** for the year ended 31<sup>st</sup> MARCH 2014

<b>C. CURRENT LIABILITIES</b>		
Particulars	As at 31st March 2014	As at 31st March 2013
	(Amount in ₹)	(Amount in ₹)
<b>C Other Current Liabilities</b>		
Dues for Expenses	2,318,750	53,149
Audit Fees Payable	5,500	14,965
Listing Fees Payable	15,500	13,000
	<b>2,339,750</b>	<b>81,114</b>
<b>D. SHORT TERM PROVISIONS</b>		
<b>Other Provisions</b>		
For Income Tax	82,111	371
	<b>82,111</b>	<b>371</b>
<b>E. NON CURRENT INVESTMENTS</b>		
As per Annexure "A"	301,475,000	1,475,000
	<b>301,475,000</b>	<b>1,475,000</b>
<b>F. TRADE RECEIVABLES</b>		
Receivable from Sundry Parties	-	125,387
	<b>-</b>	<b>125,387</b>
<b>G. CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Balances with Banks		
In Current Accounts	7,651	14,199
Cash in Hand (As Certified)	465,619	128,439
	<b>473,270</b>	<b>142,638</b>
<b>H. SHORT TERM LOANS AND ADVANCES</b>		
Advance Tax & Tax Deducted at Source	5,047	5,047
	<b>5,047</b>	<b>5,047</b>
<b>I. REVENUE FROM OPERATIONS</b>		
Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
	(Amount in ₹)	(Amount in ₹)
Sale of Products	5,855,000	-
<b>Revenue from Operations (gross)</b>	<b>5,855,000</b>	<b>-</b>
Less : Excise Duty	-	-
	<b>5,855,000</b>	<b>-</b>
<b>J. OTHER INCOME</b>		
Interest Income on		
Miscellaneous Income	-	55,245
	<b>-</b>	<b>55,245</b>

**MODI UDYOG LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** for the year ended 31<sup>st</sup> MARCH 2014

<b>K.</b>	<b><u>PURCHASES OF TRADED GOODS</u></b>		
	Purchase of Sarees	5,493,280	-
		<u>5,493,280</u>	<u>-</u>
<b>L.</b>	<b><u>OTHER EXPENSES</u></b>		
	Accounting Charges	20,000	12,000
	Audit Fees	5,500	5,500
	Conveyance	10,100	3,126
	Filing Fees	-	9,500
	General Expenses	23,310	12,017
	Carriage Outward	10,020	-
	Listing fees	2,500	2,500
	Packaging Expenses	9,360	-
	Telephone Expenses	5,000	-
	Bank Charges	200	902
	Service Charges	10,000	8,500
		<u>95,990</u>	<u>54,045</u>
<b>(a)</b>	<b><u>Details of Payments to Auditor</u></b>		
	As Auditor		
	Statutory Audit Fee	-	-
	In Other Capacity		-
		<u>-</u>	<u>-</u>
<b>M.</b>	<b><u>EARNINGS PER SHARE (EPS)</u></b>		
	Net Profit After Taxation	183,619	829
	Weighted average number of Equity Shares	27,740,000	240,000
	Add: Dilutive Potential Equity Shares	-	-
	No. of Equity Shares for Dilutive EPS	27,740,000	240,000
	Nominal Value of Shares (in ₹)	10	10
	Basic Earnings Per Share (in ₹)	0.0066	0.0035
	Diluted Earnings Per Share (in ₹)	0.0066	0.0035

# MODI UDYOG LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** for the year ended 31<sup>st</sup> MARCH 2014

**N. RELATED PARTY DISCLOSURES**

**(a) List of Related Parties**

(i)	Key Management Personnel	
	Debjit Chakraborty	Director
	Partha Pal	Director
	Rajesh Kumar Agarwal	Director

**(b) Transactions with Related Parties**

	Related Parties	
	Key Managerial Personnel	
	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2013 (₹)
Finance & Investment		
- Loan Taken		
Debjit Chakraborty	Nil	Nil
Partha Pal	Nil	Nil
Rajesh Kumar Agarwal	Nil	Nil
Debit / (Credit) Balance as on 31.03.2013		Nil
Debjit Chakraborty	Nil	Nil
Partha Pal	Nil	Nil
Rajesh Kumar Agarwal	Nil	Nil
<b>O. <u>VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS</u></b>	Nil	Nil
<b>P. <u>EXENDITURE IN FOREIGN CURRENCY</u></b>	Nil	Nil
<b>Q. <u>EARNINGS IN FOREIGN EXCHANGE</u></b>	Nil	Nil

**R. DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT 2006**

Based on the representations made to us by the management of the Company, there are no dues to entities defined as Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006.

**S. SEGMENT REPORTING**

The Company doesn't fall in any of the category of enterprises as mentioned in AS -17 "Segment reporting" notified by Companies (Accounting Standards) Rules, 2006, so the company is not required to apply this Accounting Standard.

**T.** In the opinion of the Board of Directors, the Current Assets , Loans & Advances have a avalue on realisation in the ordinary course of business at not less than the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities

**U.** Certain balances of Trade Receivables, Trade Payables, Unsecured Loans & Advances are subject to confirmation.

**For Prakash Patwari & Co.**

Chartered Accountants

FRN: 325639E

Sd/-

**(Om Prakash Khajanchi)**

Partner

Membership No. 065549

Kolkata, 28th May, 2014

**For and on behalf of the Board**

Sd/-

**Manish Roy**

(Director)

Sd/-

**Mayank Daga**

(Director)

Sd/-

**Abhinaw Kumar Sharma**

(Director)

**NOTES TO AND FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS  
FOR THE PERIOD FROM 01.04.2013 TO 31.03.2014**

**CORPORATE INFORMATION**

MODI UDYOG LIMITED (the Company) is a Limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 listed in Bombay Stock Exchange and Calcutta Stock Exchange

**V SIGNIFICANT ACCOUNTING POLICIES & NOTES :-**

**A Basis Of Preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The financial statements have been prepared on an accrual basis except as otherwise stated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company ascertains its operating cycle for the purpose of current/non-current classification of assets and liabilities.

**B Presentation and disclosure of financial statements**

During the year ended 31st March 2013, Revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

The revised schedule VI allows line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector-specific disclosure requirements.

**C Use Of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**D Miscellaneous Expenditure (To The Extent Not Written Off Or Adjusted)**

The amount of preliminary expenses has been written off over a period of 5 years as per the provision of Sec35 of Income Tax Act 1961.

**E Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**F Provision For Current And Deferred Tax**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

**G Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current Investments. All other investments are classified as Long Term Investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Both current investments and long term investments are carried in the financial statements at cost.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**H Current Assets, Loans & Advances**

In the opinion of the Board and to the best of its knowledge and belief the value on realisation of current assets in the ordinary course of

business would not be less than the amount at which they are stated in the Balance Sheet and repayable on demand.

**NOTES TO AND FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS  
FOR THE PERIOD FROM 01.04.2013 TO 31.03.2014**

**I Inventories**

Finished and Semi-Finished products produced and purchased by the Company are carried at lower of cost and net realisable value after providing for obsolescence, if any.

Work-in-progress is carried at lower of cost and net realisable value.

Stock of raw materials, stores, spare parts and packing materials are valued at lower of cost less CENVAT Credit/ VAT availed or net realisable value.

Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

Liability for excise duty in respect of goods manufactured by the Company is accounted upon removal of goods from the factory.

**J Fixed Assets and Depreciation**

**Tangible assets**

Tangible assets are stated at their cost of acquisition net of receivable CENVAT and VAT Credits. All costs, direct or indirect, relating to the acquisition and installation of fixed assets and bringing it to its working condition for its intended use are capitalised and include borrowing costs and adjustments arising from foreign exchange rate variations directly attributable to construction or acquisition of fixed assets. Depreciation on fixed assets is provided on written down value method (WDV) on a pro-rata-basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. In respect of assets acquired/sold during the year, depreciation has been provided on pro-rata basis with reference to the days of addition/put to use or disposal.

**Intangible assets**

Intangible Assets are stated at their cost of acquisition, less accumulated amortization and accumulated impairment losses thereon. An intangible asset is recognized where it is probable that future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. The depreciable amount of intangible assets is allocated based on the estimates of the useful life of the asset not exceeding five years.

**J Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**K Recognition of Income & Expenditure**

Income and expenditure is recognized and accounted for on accrual basis. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods is recognised on transfer of significant risks and rewards of ownership to the customer and when no significant uncertainty exists regarding realisation of the consideration. Sales are recorded net of sales returns, sales tax/VAT, cash and trade discounts.

**L Earning Per Shares**

The Company reports Basic and Diluted earnings per equity share in accordance with the Accounting Standard - 20 on Earning Per Share. In determining earning per share, the Company considers the net profit after tax and includes the post tax effect of any extraordinary/exceptional items. The number of shares used in computing basic earning per share is the weighted average number of equity shares outstanding during the period. The numbers of shares used in computing diluted earning per share comprises the weighted average number of equity shares that would have been issued on the conversion of all potential equity shares. Dilutive potential equity shares have been deemed converted as of the beginning of the period, unless issued at a later date.

**M Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**N** There are no Micro, Small and Medium Enterprises (MSMEs) as defined in the Micro, Small, Medium Enterprises Development Act, 2006 within the appointed date during the year and no MSMEs to whom the Company owes dues on account of principal amount together with interest at the balance sheet date and hence no additional disclosures have been made.

**O** The Company is a small and medium sized company (SMC) as defined in the general instructions in respect of accounting standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a small and medium sized Company.

**P PREVIOUS YEAR FIGURES**

Revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements, from the financial year commencing on or after 1st April 2011. In view of the same, the Company has reclassified the previous year figures in accordance with the requirements applicable in the current year.

**AUDITOR'S REPORT  
SIGNED IN TERMS OF OUR SEPARATE  
REPORT OF EVEN DATE.  
For Prakash Patwari & Co.  
Chartered Accountants  
FRN: 325639E  
Sd/-  
(Om Prakash Khajanchi)  
Partner  
Membership No. 065549**

Place: Kolkata  
Dated: 28th May, 2014

**MODI UDYOG LIMITED**

18B Brabourne Road, 2<sup>nd</sup> Floor, Kolkata – 700 001

**PROXY FORM**

I/W \_\_\_\_\_ Resident  
e \_\_\_\_\_ of \_\_\_\_\_ in  
the district \_\_\_\_\_ being member/members of the above  
of \_\_\_\_\_ named  
Company, hereby appoint \_\_\_\_\_  
resident \_\_\_\_\_ in the district \_\_\_\_\_  
of \_\_\_\_\_ of \_\_\_\_\_  
or failing Him \_\_\_\_\_  
resident \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_ as

my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday , the 30th day of September 2014 at 11.30 A.M., at 18-B Brabourne Road, 2<sup>nd</sup> Floor, Kolkata – 700 001

.And any adjournment thereof.

Registered Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_  
Signed on \_\_\_\_\_ day \_\_\_\_\_  
this \_\_\_\_\_ of \_\_\_\_\_ 2014

Signed by the \_\_\_\_\_  
said \_\_\_\_\_  
Signature of Proxy \_\_\_\_\_  
Attested by \_\_\_\_\_  
Shareholder \_\_\_\_\_

Affix  
Revenue  
Stamp

**MODI UDYOG LIMITED**  
18B Brabourne Road, 2<sup>nd</sup> Floor, Kolkata – 700 001

**ATTENDANCE SLIP**

I hereby record my presence at the 32<sup>ND</sup> Annual General Meeting of the Company held on Monday, the 30th day of September 2014 at 11.30 A.M., at 18B Brabourne Road, 2<sup>nd</sup> Floor, Kolkata – 700 001

, Name of Shareholder/s \_\_\_\_\_

Father/Husband's Name \_\_\_\_\_

Name of Proxy or Company Representative \_\_\_\_\_

Registered Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Signature of the Shareholder(s) or Proxy or Company Representative \_\_\_\_\_