



ANIL MODI OIL INDUSTRIES LIMITED

31st ANNUAL REPORT AND ACCOUNTS

2004-2005

**Board of Directors**

Shri Anil Modi, Managing Director
 Shri Vijay Kumar Gupta
 Shri Sudhir Shankar Halwasiya
 Smt. Nita Modi

Bankers

State Bank of Patiala, Sunam
 Punjab & Sind Bank, Sunam
 Punjab National Bank, Sunam
 State Bank of India, Pilibhit
 Bank of Baroda, Pilibhit
 Punjab National Bank, Pilibhit
 ICICI, Bareilly

Secretary

Smt. Dipti Jain

Auditors

Messrs. K.K. Jain & Co.,
 Chartered Accountants
 7/35, Ansari Road,
 Daryaganj,
 New Delhi 110 002.

Registered Office

7/35, Ansari Road,
 Daryaganj,
 New Delhi 110 002.

Works

Sunam (Distt. Sangrur), Punjab
 Pilibhit, Uttar Pradesh

Registrar & Transfer Agents

M/s Skyline Financial Services Pvt. Ltd.
 123, Vinoba Puri,
 Lajpat Nagar II,
 New Delhi-110024



NOTICE

Notice is hereby given that the 31st Annual General Meeting of the shareholders of Anil Modi Oil Industries Limited will be held at Poorva Sanskritik Kendra (PSK), 14, District Centre, Laxmi Nagar, Delhi-110092 on Friday, 30th September, 2005 at 11.00 A.M. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the audited accounts of the Company for the year ended 31st March, 2005 together with Directors' and Auditors' report thereon.
2. To appoint a Director in place of Shri Sudhir Shankar Halwasiya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and authorise the Board of Directors to fix their remuneration. Messrs. K. K. Jain & Co., Chartered Accountants, Delhi, retire and are eligible for re-appointment.

For and on behalf of the Board of Directors

Place : New Delhi

Date : 26.8.2005

Dipti Jain

Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES MUST BE LODGED AT REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
2. The Register of Members and Share Transfer Book of the company will remain closed on 30th day of September, 2005.
3. Members desiring any information as regards accounts and operations are required to write to the Company at its Registered Office one week before the date of the meeting so that the information is made available at the meeting.
4. (i) The equity shares of the company are listed at the following stock exchanges:
 - (a) The Delhi Stock Exchange Association Ltd.
3/1, Asaf Ali Road, New Delhi-110 002
 - (b) The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001
 - (c) The Ludhiana Stock Exchange Association Ltd.
Feroze Gandhi Market, Ludhiana-141 001
- (ii) Annual Listing fees for the year 2005-06 has been paid to all the Stock Exchanges except Ludhiana Stock Exchange.



DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 31st Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2005.

OPERATING RESULTS

The summarized financial results for the year ended 31st March, 2005 and for the previous year ended 31st March, 2004 are as follows:-

	2004-2005	(Rs. in Lacs) 2003-2004
Turnover	7159.25	9314.44
Profit before interest and Depreciation	133.34	219.86
Interest	40.12	51.96
Depreciation	60.07	59.03
Profit for the year	33.15	108.87

OPERATIONS

Your directors have, subject to requisite approvals and sanction, decided to amalgamate a company engaged in the business of finance and investment so as to attain more financial leverage besides bringing better, efficient and economical control in its operations. Legal formalities for the amalgamation are in process and separate meeting under the supervision of appropriate authority are being convened for taking approval of the shareholders.

DIVIDEND

In order to conserve financial resources for future diversification and expansion plans of the company, your Directors do not recommend any dividend this year.

DIRECTORS

Out of the present Directors, Shri Sudhir Shankar Halwasiya, retires by rotation and being eligible, offers himself for re-appointment. Your Directors recommend re-appointment of Shri Sudhir Shankar Halwasiya on the Board.

DEPOSITS

The company has not accepted any fresh deposits during the year. There are no overdue deposits.

AUDITORS

The present Auditors Messrs K.K. Jain & Co., Chartered Accountants retire at the conclusion of the Annual General Meeting. They have furnished a certificate u/s 224(1B) of the Companies Act, 1956 and are eligible for re-appointment. Your Directors recommend re-appointment of M/s K.K. Jain & Co., as auditors of the Company at the ensuing Annual General Meeting of the Company.

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

Information required to be furnished in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & outgo is annexed herewith & forms part of this report.



DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Sec. 217(2AA) of the Companies Act, 1956, the directors state that:-

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year under review.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

During the year there were no employees who were in receipt of remuneration more than the limit prescribed under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975 as amended.

PERSONNEL

The relations with the employees of the Company continued to be cordial. Your Directors wish to place on record their appreciation for the excellent work done by the employees at all levels.

ACKNOWLEDGEMENTS

Your Directors express their sincere gratitude and deep appreciation for the co-operation and assistance given by the banks, suppliers and customers of the Company during the year under report and look forward to their continued support. Your Director's also thankfully acknowledge the trust and confidence reposed by you in the company.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 26.8.2005

ANIL MODI
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

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

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is given below:-

A. CONSERVATION OF ENERGY

- (a) Energy Conservation measures taken
Your Company has taken adequate measures to ensure optimum use of all equipments so as conserve energy.
- (b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy
The Company has purchased Automatic Voltage Controller which helps to reduce the consumption of electricity by controlling voltage fluctuation.
- (c) Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods.
The measures taken in (a) and (b) above have resulted in reduction in cost of production.
- (d) Total Energy Consumption and energy consumption per unit of production as per prescribed Form-A
Not given as the Company is not covered under the list of specified industries.

B. TECHNOLOGY ABSORPTION

(1) Research & Development (R&D)

- (a) Specific areas in which R&D carried out by the company
Nil
- (b) Benefits derived as a result of above R&D
Nil
- (c) Future plan of action
Continuous efforts are being made for quality improvement of its products.
- (d) Expenditure on R&D
Nil

(2) Technology Absorption, Adaptation and innovation

Continuous efforts are being made for product improvement and cost reduction. The Company has not made any import of technology so far.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, your company has not exported any of its products and the details of the Foreign Exchange Earnings and outgo are as under:

Foreign Exchange Earnings : Nil

Foreign Exchange Outgo : Rs.1,36,052



AUDITORS' REPORT

TO THE MEMBERS OF ANIL MODI OIL INDUSTRIES LIMITED

We have audited the attached Balance Sheet of ANIL MODI OIL INDUSTRIES LIMITED as at 31st March, 2005 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements, based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies Auditor's Report Order, 2003, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we Annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said Orders.
3. Further to our comments in the Annexure, referred to above, we report that:
 - i. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of accounts as required by Law, have been kept by the Company so far as appears from our examination of the books of the Company.
 - iii. The Balance Sheet and Profit & Loss Account, dealt with by this Report, are in agreement with the books of account of the Company.
 - iv. In our opinion, the Balance Sheet and the Profit & Loss Account comply with the applicable Accounting Standards, referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v. Based on the declaration made by the directors of the company and the information and explanations given to us, none of the Directors is, as at 31.03.2005, prima-facie disqualified from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit & Loss Account read with the Schedules and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2005, and
 - (b) In the case of the Profit & Loss Account of the profit for the year ended on that date.
 - (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For K.K. JAIN & COMPANY,
Chartered Accountants,

Place : New Delhi
Date : 22.6.2005

(K.K. JAIN)
PARTNER
M. NO. 5436



Annexure referred to in paragraph 2 of our Report of even date to the Member of ANIL MODI OIL INDUSTRIES LIMITED on the accounts as at and for the year ended 31st March, 2005

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies between the book records and the physical inventory were noticed in respect of the assets physically verified.
- (c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. (a) Inventories have been physically verified by the management at reasonable intervals during the year.
- (b) In our opinion, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of records of inventory produced to us, in our opinion, the company has maintained proper records of inventories. There were no material discrepancies noticed on physical verification of inventory as compared to the book record.
3. (a) The Company has not granted any loans, secured or unsecured, to any party covered in the register maintained under section 301 of the Companies Act, 1956
- (b) The company has taken unsecured loan from eight parties and debenture application money from one party covered in the register mentioned under section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs. 4,61,62,187/- and the year-end balance of loan (including debentures application money) taken from such parties was Rs. 4,61,62,187/-.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the company.
- (d) In respect of loan taken by the company, the interest payment and principal amount repayable are regular.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control in respect of these areas
5. (a) The company has entered all the particulars of contracts or arrangement referred to in section 301 of the Companies Act, 1956 in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us the transactions with parties with whom transaction exceeding the value of Rupees five Lakhs have been entered into during the financial year, are at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA of the Companies Act 1956 and the Companies (Acceptance of Deposit) Rules, 1975 with regard to the deposit accepted from the public. No order has been passed by the Company Law Board in this Regard.



7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed for maintenance of cost records under section 209(1)(d) of the Companies Act 1956.
9. (i) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess have been regularly deposited with the appropriate authorities.
- (ii) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were outstanding at the year end for a period of more than six months from the date they became payable.
- (iii) According to the record of the company and information and explanation given to us, the particulars of disputed dues outstanding as at 31st March, 2005 in respect of Sales Tax, Income Tax, Service Tax, Custom Duty, Wealth Tax, Excise Duty and Cess as under:

Name of the Statute	Nature of the Dues	Amount Rs.	Period to which the amount Relates	Forum where dispute is pending
Sales Tax	Sales Tax	1,17,663	1992-93	Tribunal

10. The company has no accumulated losses as at 31st March, 2005 nor it has incurred any cash losses in the current and immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions, bank or debenture holder.
12. According to the information and explanations given to us and based on the documents and records produced to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. According to the information and explanation given to us, the company has not given any guarantee for loan taken by the others from bank or financial institution.
16. The company has not taken any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the company, we report the no funds raised on short-term basis have been used for long-term investments.
18. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
19. No secured debenture were issued by the company. Therefore, no securities have been created.