



ANIL MODI OIL INDUSTRIES LIMITED

33rd ANNUAL REPORT AND ACCOUNTS

2006-2007

**ANIL MODI OIL INDUSTRIES LIMITED****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
ICICI, Calcutta

Secretary

Smt. Dipti Jain

Auditors

Messrs. K.K. Jain & Co.,
Chartered Accountants
711, Roots Tower,
District Centre, Laxmi Nagar,
Delhi-110092

Registered Office

711, Roots Tower,
District Centre, Laxmi Nagar,
Delhi-110092

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 33rd 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 Saturday, 29th September, 2007 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2007 and the Profit & Loss Account for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Vijay Kumar Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 : 03.09.2007

Dipti Jain
Company Secretary

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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 Books shall remain closed on Saturday, 29th September, 2007 for determining the names of the members eligible for dividend on equity shares, if declared, at the meeting.
3. Members desiring any information as regards accounts and operations are required to write to the Company as 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 Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.
ii) Annual Listing fees for the year 2007-08 has been paid to the Stock Exchange, Mumbai



DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 33rd Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2007.

OPERATING RESULTS

The summarized financial result for the year ended 31st March, 2007 and for the previous year ended 31st March, 2006 are as follows:

	(Rs. in Lacs)	
	2006-2007	2005-2006
Turnover	8829.45	7196.27
Profit before interest and Depreciation	271.17	129.90
Interest	87.89	51.15
Depreciation	82.26	75.34
Profit for the year	101.02	3.41

OPERATIONS

The members would recall that they had approved the scheme of amalgamation of M/s J. P. Management Systems Privated Limited with your company in their meeting held on 4th November, 2006 convened under the directions of Hon'ble High Court of Delhi. The Hon'ble High Court was pleased to subsequently sanction the scheme under its order dated 24th May, 2007. Consequent to such sanction, the assets and liabilities of M/s J.P. Management Systems Privated Limited, the transferor company have been vested & transferred in your company effective from 1st April, 2005, the appointed date under the scheme.

The company has performed well during the current financial year with a turnover of Rs. 8829.45 lacs and profit before tax of Rs. 101.02 lacs. Now with the merger of M/s J.P. Management Systems Privated Limited, transferor company with the company, the financial resources have increased and your Directors are hopeful of making best use of the such additional resources. Therefore, the Directors feel that the company has rightfully taken the path of growth.

DIVIDEND

Your Directors are pleased to recommend payment of dividend @ 10% on the paid up share capital of the company. The proposed dividend, if approved at the annual general meeting will absorb Rs. 49.59 lacs including dividend tax (previous year-NIL)

CORPORATE GOVERNANCE

The Corporate Governance norms as stipulated in clause 49 of the listing agreement have become applicable on your company. The necessary action has since been initiated to comply with the requirements of Corporate Governance. Your Directors are confident that they would be able to comply with these requirements within a reasonable time.

**DIRECTORS**

Out of the present Directors, Shri Vijay Kumar Gupta, retires by rotation, and, being eligible, offers himself for re-appointment.

Your Directors recommend re-appointment of Shri Vijay Kumar Gupta on the Board.

DEPOSITS

The company has not accepted any public deposits during the year under review.

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.

ACCOUNT AND AUDIT REPORT

The Notes on Accounts and Accounting policies referred to by the Auditors in their report are self - explanatory and do not call for any further clarification or comment.

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 STATEMENTS

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 judgements 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 financial institutions, 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
Date : 03.09.2007

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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 benefited from the investments earlier made in purchasing certain equipments which have contributed towards reduction in the consumption of energy.
- (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 : NIL



AUDITORS' REPORT

TO THE MEMBERS OF ANIL MODI OIL INDUSTRIES LIMITED

We have audited the attached Balance Sheet of ANIL MODI OIL INDUSTRIES LIMITED, New Delhi, as at 31st March, 2007 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 account 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 the 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 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 31.03.2007, 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 *and subject to the consequential impact on the result for the year of Note No. B8 of Schedule 23 regarding non-disclosure of additional information required under clause 22 of Chapter V of Micro, Small and Medium Enterprises Development Act, 2006* 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, 2007, 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 cash flow statement, of the cash flows for the year ended on that date.

for K.K. JAIN & CO.,
Chartered Accountants,

Place : New Delhi
Date : 03.09.2007

(K.K. Jain)
Partner
M. No. 5436



ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 2 of our Report of even date to the Members of ANIL MODI OIL INDUSTRIES LIMITED on the accounts as at and for the year ended 31st March, 2007.

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 seven parties covered in the register mentioned under section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs. 1,55,27,480/- and the year-end balance of loan taken from such parties was Rs. 1,23,96,192/-
- (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 system in respect of these areas.
5. (a) The company has entered all the particulars of contracts of 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 transactions exceeding the value of Rupees five lakhs have been entered into during the financial year, are at price, 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.