

**MODERN CONVERTERS LIMITED**

**2011-2012**

**REPORT & ACCOUNTS**

## **MODERN CONVERTERS LIMITED**

### **Board of directors**

Rajeev Chirimar  
R. N. Chirimar  
Bimal Kumar Poddar

### **Auditor**

Ghosh & Ghosh  
Chartered Accountants  
25, Rajendra Nath Mukherjee Road  
Kolkata - 700 001

### **Regd. Office**

14A, Stephen House  
56E, Hemanta Basu Sarani  
4, B. B. D. Bagh (East)  
Kolkata - 700 001

## MODERN CONVERTERS LIMITED

### NOTICE

Notice is hereby given that the Sixty Sixth Annual General Meeting of the Company will be held at the registered office of the Company at 56E, Hemanta Basu Sarani, 4 BBD Bagh East, Kolkata 700 001 Saturday 29th September 2012 at 10.00 AM for the following purposes.

1. To consider and adopt the audited accounts for the year ended 31st March 2012 and the reports of the Board of Directors and of the Auditors.
2. To elect Director in place of the retiring Director, Sri Rajeev Chirimar
3. To appoint auditors and fix their remuneration.

4 BBD Bagh East,  
Kolkata 700 001  
Dated 23<sup>rd</sup> August 2012

By Order of the Board  
Modern Converters Ltd

RN Chirimar  
Director.

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#### NOTES:

1. The Register of members and Share Transfer Books of the Company will remain closed from 22nd to 29th September 2012.
2. A member eligible to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received at the Registered Office no less than 48 hours before the meeting.
3. Members are requested to send their queries if any, about the account etc, in writing at least 7 days in advance so as to enable the Management to keep the information ready.
4. Unclaimed and unpaid Dividend upto financial year 2004-2005 has been transferred to the General Revenue Account of the Central Government. Members who have not encashed their Dividend Warrants are advised to claim the amount from the Registrar of Companies, West Bengal, M.S.O. Building, Nizam Place, 234/4 A.J.C. Bose Road, Kolkata 700020.

## MODERN CONVERTERS LIMITED

### DIRECTORS REPORT

It is pleasure in presenting the Audited Balance Sheet as at 31st March 2012 along with the Statement of Profit and Loss for the year ended 31st March 2012.

Loss for the year before taxation	5,33,457.59	
Add: Deferred Tax	44,621.62	4,88,835.97
Add Loss B/F from Previous year		3,34,002.02
Balance of loss carried over to Balance Sheet		8,22,837.99

The Share market had continued its downturn resulting in loss for the year under review. However, in view of the loss, your Directors do not recommend any dividend for the year.

Directors: Director Sri Rajeev Chirimar retires but being eligible offer himself for re-appointment.

Apart from the above, the working of the company for the year were satisfactory.

Directors Responsibility statement:

- that in the preparation of the annual accounts the applicable accounting standard have been followed and the no. material departures have been made from the same;
- that they selected such accounting policies and applied them consistently and made judgments and estimated that are reasonable and prudent so as to give a true and fair view of the state of affairs of for the Company as at the end of the financial year 31st March 2012, and of the loss of the Company for the period ;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the asset of the Company and for preventing and detecting fraud and other irregularities;
- that they have prepared the annual accounts on going concern basis;

Deposits: The Company has not invited any deposits from the Public till date.

Auditors: M/S Ghosh & Ghosh, Chartered Accountants, Auditors of the Company retire, but being eligible, offers themselves for re-appointment.

Particulars of Employees: No employee is in receipt of remuneration aggregating to Rs. 60,00,000/- per annum or more for employment throughout the year or Rs. 5,00,000/- per month or more for part of the year.

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 the Companies (Disclosure of particulars in the Board of Directors) Rules 1988 the Company is not covered under the list of specified industries and also the Company has not engaged in manufacturing activities. Particulars relating to conservation of energy, technology absorption foreign exchange earnings and outgo are not furnished as they are not applicable to this Company.

56E, Hemanta Basu Sarani,  
4 BBD Bagh East,  
Kolkata 700 001  
Kolkata 23<sup>rd</sup> August 2012

RN Chirimar  
B. K. Poddar  
Rajeev Chirimar  
Directors.

## MODERN CONVERTERS LIMITED

### AUDITORS' REPORT TO THE MEMBERS OF MODERN CONVERTERS LIMITED:

1. We have audited the attached Balance Sheet of MODERN CONVERTERS LIMITED as at 31st March, 2012, the Statement of Profit & Loss and also the Cash flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required under the Companies (Auditors' Report) (Amendment) Order, 2004 as amended issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, issued by the Department of Company Affairs and on the basis of such checks as we considered, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in 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 those books;
  - (iii) the Balance Sheet, Statement of Profit & Loss Account and the Cash Flow Statement dealt with by the report are in agreement with the books of account;
  - (iv) in our opinion, the Balance Sheet, Statement of Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Sec. 211 of the Companies Act, 1956;
  - (v) on the basis of written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2012 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the Notes thereon give the information required by the companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -
    - (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2012;
    - (b) In the case of the Statement Profit & Loss of the Loss, for the year ended on that date; a n d
    - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Kolkata,

Dated the 23rd August, 2012

For GHOSH & GHOSH  
CHARTERED ACCOUNTANTS  
A. K. GHOSH  
PARTNER  
Firm Registration No : 305020E  
MEMBERSHIP NO. : 52945

## **MODERN CONVERTERS LIMITED**

### **STATEMENT ON THE COMPANIES (AUDITOR'S REPORT)** **(AMENDMENT) ORDER, 2004**

#### **ANNEXURE**

#### **RE: MODERN CONVERTERS LIMITED**

#### **Referred to in paragraph 3 of our report of even date**

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year. In our opinion, the programme of verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, none of the Assets has been disposed of during the year.
- (ii) (a) The inventory comprising of shares, debentures and other securities, has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are 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. As explained to us, no material discrepancies have been noticed on verification between the physical stocks and the book records.
- (iii) The company has not taken / granted any loans secured or unsecured, from / to other companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of shares & securities. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public in terms of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

## MODERN CONVERTERS LIMITED

- (vii) In our opinion and to the best of our information and explanations given to us, the internal audit is carried out by the internal staff of the Company which is not adequate and their coverage are also not adequate.
- (viii) The company has been dealing mainly in shares and securities and maintenance of cost records has not been found necessary for the company.
- (ix) No undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty, and cess and service tax were in arrear as at 31st March, 2011 for a period of more than six months..
- (x) It appears from records that the company has accumulated loss of Rs. 3.43 lakhs carried forward from the earlier years. The company has not incurred cash loss of Rs. 3,65,576/- during the year under audit.
- (xi) In our opinion and according to the information and explanations given to us, the company has no dues to any Bank, Financial Institutions or Debenture holders.
- (xii) It appears from records the company has not granted any loans or advances on the basis security by way of pledge of shares, debentures and other securities.
- (xiii) 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.
- (xiv) The company has been dealing / trading in shares, securities, debentures and other investments for which proper records are maintained of transactions and contracts and entries have been made therein timely and the shares and securities have been held by company in its own name.
- (xv) According to the information and explanations, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) It appears from records, the company has taken a term loan from HDFC Bank Ltd. in earlier year for Purchase of Motor Car and the same has been repaid during the year under audit.
- (xvii) As stated earlier the company has not raised any fund by way of loans and advances.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to information and explanations given to us, the company has not issued any debentures during the period covered by our audit report.
- (xx) In our opinion and according to information and explanations given to us no money has been raised from public issue during the year and the question of end use thereon does not arise. .
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Kolkata,

Dated the 23rd August 2012

For GHOSH & GHOSH  
CHARTERED ACCOUNTANTS  
A. K. GHOSH  
PARTNER  
Firm Registration No : 306020E  
MEMBERSHIP NO. : 52945

# MODERN CONVERTERS LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	31.03.2012	31.03.2011
<b>EQUITY AND LIABILITY :</b>			
1. <b>Shareholder's Fund</b>			
a) Share Capital	A	900000.00	900000
b) Reserve & Surplus	B	7296162.01	7784998
2. <b>Non-Current Liabilities</b>			
a) Deferred tax liabilities (net)		-	3443
b) Long-term provisions	C	209516.00	209516
3. <b>Current Liabilities</b>			
Short-term borrowings		-	467085
Other current liabilities	D	163587.40	178657
		<u>8569265.41</u>	<u>9543699</u>
<b>ASSETS</b>			
1. <b>Non-current assets</b>			
a) <b>Fixed assets</b>			
(i) Tangible assets	E	503679.61	716898
b) Non-current investments	F	6060854.36	6802654
c) Long-term loans and advances	G	728813.34	724813
d) Deferred Tax Assets	H	41178.17	-
2. <b>Current assets</b>			
a) <b>Inventories</b>			
(Valued at lower of cost & NRV)	FA	865293.30	551709
b) Trade receivables	I	105556.61	310179
c) Cash and Bank Balance	J	263890.02	354896
d) Short-term loans and advances		-	82550
		<u>8569265.41</u>	<u>9543699</u>

Notes on Accounts - As per Note - 'O' attached  
Signed in terms of our separate report of even date.

For and on behalf of  
Ghosh & Ghosh  
Chartered Accountants

Mission Court  
25, Rajendra Nath Mukherjee Road  
Kolkata, the 23rd August, 2012

A. K. Ghosh  
Partner

RN Chirimar  
B. K. Poddar  
Rajeev Chirimar  
Directors.

# MODERN CONVERTERS LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Note No.      31.03.2012      31.03.2011

<b>REVENUE</b>				
I	<b>Revenue from Operations</b>			
	Sale of Shares & Debentures	679848.45	691368.45	4399294
	Other Operating Revenue (Option)	11520.00		4399294
			691368.45	4399294
II	<b>Other Income</b>			
	STCL	-		198595
	Profit on Sale of Investment	-		211307
	Interest	-		27425
	Dividend	51578.00		79035
	Commodity Difference	646367.40		-
	Refund of Income Tax	133810.00		8845
	Round Off	2.43	831757.83	525307
III	<b>Total Revenue (I+II)</b>		1523126.28	4924601
IV	<b>EXPENSE</b>			
	Change in Stock	K -313583.90		2160074
	Purchases	1237537.84		2186066
	Other expenses	L 626791.97		37357
	Trading Expenses	M 1642.19		7200
	Finance Cost : Intt. on Car Loan	40193.03		15040
	Processing Charges	-		4370
	Employees Benefit Expenses	N 203134.00		202769
	Depreciation and amortisation expense	167881.17		86639
	<b>Total Expenses</b>		1963596.30	4699515
V	<b>Profit before exceptional &amp; Extra ordinary Items &amp; Tax (III-IV)</b>		-440470.02	225086
VI	<b>Exceptional Items</b>			-10824
	Loss on Sale of Fixed Assets	-92987.57	-92987.57	-10824
VII	<b>Profit /Loss before Tax (V - VI)</b>		-533457.59	214262
VIII	<b>Tax Expense:</b>			-28000
	Current Tax	-		5859
	Deferred Tax	44621.62	44621.62	-22141
IX	<b>Loss/Profit for the year (VII - VIII)</b>		-488835.97	192121
X	<b>Earnings per Share</b>			
	Basic		-5.43	2.13
	Diluted		-5.43	2.13

NOTES ON ACCOUNTS - As per Note 'O' attached.  
Signed in terms of our separate report of even date.

Mission Court  
25, Rajendra Nath Mukherjee Road  
Kolkata, the 23rd August 2012

For and on behalf of  
Ghosh & Ghosh  
Chartered Accountants  
( A. K. Ghosh ) Partner

RN Chirimar  
B. K. Poddar  
Rajeev Chirimar  
Directors.

# MODERN CONVERTERS LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	31.03.2012			31.03.2011		
	No. of Sh.	Rs.	P.	No. of Sh.	Rs.	P.
<b>NOTE - A :: SHARE CAPITAL</b>						
a) <b>AUTHORISED</b>						
Equity Shares of nominal value of Rs. 10/- each	470000	4700000.00		470000	4700000.00	
Preference Shares of nominal value of Rs.10/-each	30000	300000.00		30000	300000.00	
	<u>500000</u>	<u>5000000.00</u>		<u>500000</u>	<u>5000000.00</u>	

b) **Issued, Subscribed & Paid up**

Equity Shares of nominal value of Rs. 10/- each	90000	900000.00		90000	900000.00	
	<u>90000</u>	<u>900000.00</u>		<u>90000</u>	<u>900000.00</u>	

c) The Company has only one class of Equity Shares value of Rs. 10/- per Share.

d) In the event of winding up, the equity shares holders will be entitled to receive the remaining assets of the Company after settlement of preferential claims, in proportion of Shareholding.

e) **The details of Shareholders holding more than 5% of the Equity Shares in the Company :**

Name	31.03.2012		31.03.2011	
	No.	%	No.	%
Kemi Fiber Industries Pvt. Ltd	11000	11.22	11000	11.22
Manju Devi Chirimar	8701	9.67	8701	9.67
Manju Devi Chirimar	11500	12.78	11500	12.78
Rajeev Chirimar	12500	13.94	12500	13.94

f) An Amount of Rs. 15,039/- has been transferred to Investors Education & Protection Fund on 19.10.2011, which relates to dividend of the Financial year 2003-04.

<b>NOTE - B :: RESERVES &amp; SURPLUS</b>		31.03.2012	31.03.2011
<b>General Reserve</b>			
Opening Balance		7819000.00	7819000
<b>Capital Redemption Reserve Fund</b>		300000.00	300000
<b>Surplus : P/L A/c</b>			
Opening Balance	-334002.02		
Addition during the year	<u>-488835.97</u>	<u>-822837.99</u>	<u>-334002</u>
		<u>7296162.01</u>	<u>7784998</u>

RN Chirimar  
B. K. Poddar  
Rajeev Chirimar  
Directors.

# MODERN CONVERTERS LIMITED

Notes annexed to and forming part of the Accounts

<u>NOTE - C :: LONG TERM PROVISION</u>	<u>31.03.2012</u>	<u>31.03.2011</u>
Provision for Income Tax		
As per last A/c.	209516.00	181516
Provided for the year		28000
	<u>209516.00</u>	<u>209516</u>
<u>NOTE - D :: OTHER CURRENT LIABILITY</u>		
Liability for Expenses	3090.00	3121
Finex Merchants Pvt. Ltd.	20104.00	20104
Unpaid Dividend	103723.40	118762
Capital Redemption	36670.00	36670
	<u>163587.40</u>	<u>178657</u>
<u>NOTE - G :: LONG TERM LOANS &amp; ADVANCES</u>		
Security Deposit	5000.00	5000
Income Tax Deposit	684400.34	680400
Income Tax Refund Due	39413.00	39413
	<u>728813.34</u>	<u>724813</u>
<u>NOTE - H :: DEFERRED TAX ASSETS / LIABILITIES</u>		
	Op., Bal as on 01.04.11	Adj. during the year
		Cl., Bal as on 31.03.12
<u>For Depreciation</u>		
Deferred Tax	<u>3443.45</u>	<u>44621.62</u>
		<u>41178.17</u>
<u>NOTE - I :: TRADE RECEIVABLES</u>		
(Unsecured, Doubtful)		
Trade Receivable Outstanding for a period exceeding 6 months		
Others trade receivables	<u>105556.61</u>	<u>310179</u>
	<u>105556.61</u>	<u>310179</u>
<u>NOTE - J :: CASH &amp; BANK BALANCES</u>		
Cash (As certified by Management)	9812.22	3214
<u>Bank</u>		
Union Bank of India	11195.00	11285
HDFC Bank Ltd.	129259.40	211735
HDFC Bank Unpaid Dividend	103623.40	118662
Union Bank of India Dividend	10000.00	10000
	<u>254077.80</u>	<u>351682</u>
	<u>263890.02</u>	<u>354896</u>

56E, Hemanta Basu Sarani,  
4 BBD Bagh East,  
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Kolkata 23<sup>rd</sup> August 2012

RN Chirimar  
B. K. Poddar  
Rajeev Chirimar  
Directors.

# **MODERN CONVERTERS LIMITED**

(NOTES/CONT'D)

(Annexed to and forming part of the Balance Sheet as at 31st March, 2012)

**NOTE - E :: FIXED ASSETS AS AT 31ST MARCH, 2012**

GROSS BLOCK				DEPRECIATION				NET BLOCK		
Particulars :	Book value and/or original cost as on 01.04.11 Rs. P.	Addition during the year Rs. P.	Cost of Assets sold/discarded during the year Rs. P.	Book Value and/or original cost as on 31.03.2012 Rs. P.	Up to 31.03.2011 Rs. P.	for the year Rs. P.	On Assets sold/discarded Rs. P.	Total as on 31.03.2012 Rs. P.	Balance as on 31.3.2012 Rs. P.	Balance as on 31.3.2011 Rs.
Computer	161,940.00	-	-	161,940.00	138,854.68	9,234.01	-	148,088.69	13,851.01	23,085
Printer	7,072.00	-	-	7,072.00	3,368.20	1,481.52	-	4,849.72	2,222.28	3704
Voltage Stabilizer	2,443.75	-	-	2,443.75	2,381.21	0.70	-	2,389.91	53.84	63
Motor Car	729,311.00	-	729,311.00	-	64,683.91	71,859.59	136,543.50	-	-	274,687
Motor Car	-	547,650.00	-	547,650.00	-	81,964.30	-	81,964.30	465,685.70	-
Fax	40,124.00	-	-	40,124.00	34,205.38	823.28	-	35,028.64	5,095.38	5,919
Air Conditioner	28,775.00	-	-	28,775.00	7,283.74	2,708.84	-	10,003.58	16,771.42	19,481
Total :	967,665.75	547,650.00	729,311.00	786,004.75	250,787.40	167,081.17	136,543.43	262,325.14	503,678.61	716,898
Previous year :	238355/-	729311/-	-	967666/-	164130/-	86637/-	-	250467/-	716898/-	-

## MODERN CONVERTERS LIMITED

### NOTES (CONTD.)

#### NOTE - 'F' :: INVESTMENTS IN SHARES & DEBENTURES HELD AS AT 31ST MARCH 2012

(Annexed to and forming part of the Balance Sheet as at 31st March, 2012)

Prev. Year Rs.	In Shares (Value at cost and certified by the Management)	Quantity	Current Year Rs. P.
6,583,313.97	<b>A. Quoted - Fully paid up</b>		
	Alok Industries Ltd	14,000	358,198.04
	Balrampur Chinni Mills Ltd	5,500	622,296.72
	Bharti Shipyard Ltd	500	130,130.00
	Cairn India Ltd	1,000	339,739.41
	Essar Oil Ltd	750	109,609.50
	FCS Software Ltd	15,000	44,400.00
	Garware Polyfilms Ltd	250	62,123.50
	GE Shipping Ltd	400	76,609.35
	HPCL Ltd	200	90,110.78
	IFCI Ltd	3,000	153,579.97
	IRB Infra & Development Ltd	2,000	436,536.12
	Indiabulls Infrastructure & Power Ltd	14,012	-
	Indiabulls Real Estate Ltd	750	112,112.84
	Indiabulls Wholesale Services Ltd	624	-
	J Kumar Infrastructure Ltd	750	145,522.88
	Jaiprakash Associates Ltd	8,500	998,612.40
	Jaypee Infrastructure Ltd	500	41,854.32
	Kedia Distilleries Ltd	400	10,000.00
	Nitco Corp. Ltd	250	15,930.68
	Noida Toll Bridge Ltd	2,000	66,216.20
	Piramal Healthcare Ltd	565	292,769.89
	Rajshree Sugar Ltd	5,000	360,584.24
	Rana Sugar Ltd	5,000	57,557.50
	Ranbaxy Laboratories Ltd	600	331,630.53
	Reliance Communication Ltd	2,500	316,897.27
	Reliance Industries Ltd	200	248,548.30
	Reliance Power Ltd	375	66,910.61
	Renuka Sugar Ltd	4,000	153,320.00
	Sakhti Sugars Ltd	2,500	154,304.20
	Texmaco Rail Ltd	500	45,409.09
		<u>91,626</u>	<u>5,841,514.34</u>
<u>219,340.00</u>	<b>B. Unquoted Fully Paid-up</b>		
	Guj NRE Mineral Resources Ltd	3,000	50,000.00
	Meenakshi Projects Ltd	8,600	59,340.00
	Radio Supply Stores Pvt Ltd	<u>3,000</u>	<u>110,000.00</u>
		14,600	219,340.00
		<u>106,226</u>	<u>6,060,854.34</u>
<u>6,802,653.97</u>			

Market Value of Quoted Investments: Rs 43,47,490.15 P  
(Previous Year Rs. 52,49,946/=)

RN Chirimar  
B. K. Poddar  
Rajeev Chirimar  
Directors.

# MODERN CONVERTERS LIMITED

## NOTES (CONTD.)

### NOTE-"FA" STOCK OF SHARES AND DEBENTURES

(Annexed to and forming part of the Balance Sheet as at 31st March, 2012)

Prev. Year	Shares & Debentures (Valued at lower of the Cost or Market Price and Certified by the Management)	Nos. of Share/ Debentures	Current Year
Rs			Rs. P.
299,925.00	(A) <u>Quoted Equity Shares Fully Paid Up</u>		
	GTL Infra Ltd	5,000	49,500.00
	Guj NRE Coke Ltd	1,000	22,150.00
	Hindusthan Construction Ltd	2,000	51,400.00
	IDFC Ltd	500	67,500.00
	Kopran Drugs Ltd (Preference)	100	400.00
	Megasoft Ltd	3,000	31,800.00
	MRPL Ltd	1,000	68,200.00
	Orchid Chemicals Ltd	600	110,880.00
	Paramourit Cables Ltd	18,500	44,400.00
	Perfectpac Ltd	500	5,000.00
	Punj LLOYD Ltd	1,500	82,800.00
	Suzlon Energy Ltd	2,250	56,812.50
	Ugar Sugar Ltd	2,000	23,600.00
		37,950	614,442.50
251,784.40	(B) <u>Un-Quoted Shares</u>		
	Brijdham Tradelinks P Ltd	10,000	100,000.00
	Cherry Polypacks Ltd	2,300	9,200.00
	Kemil Fibre Industries P Ltd	2,000	100,000.00
	GRML Exports Ltd	1,500	15,000.00
	JK Cotton Industries Ltd	1,400	22,400.00
	Kesoram Textiles Ltd	136	34.00
	Malanpur Steel Ltd	1,556	466.80
	Rathi India Ltd	375	3,750.00
551,709.40		19,267	250,850.80
		57,217	865,293.30

Market Value : Quoted Stocks & Debentures Rs 8,64,918.30 P.  
(Previous Year Rs. 5,69,209.40 P./=)

## MODERN CONVERTERS LIMITED

Notes annexed to and forming part of the Accounts

<u>NOTE - K :: CHANGE IN STOCK</u>	<u>31.03.2012</u>	<u>31.03.2011</u>
Opening Stock	551709.40	2711784
Closing Stock	865293.30	551709
	<u>313583.90</u>	<u>2160074</u>
 <u>NOTE - L :: OTHER EXPENSES</u>		
Other Charges	-	674
Rent	12000.00	12000
Rates & Taxes	17150.00	4350
Miscellaneous Expenses	19339.43	15046
Audit Fees	3090.00	3033
Director's Meeting Fees	2700.00	2250
Long term capital loss	495218.09	-
Short term capital loss	77294.45	-
Sundry Balance Written Off	-	4
	<u>626791.97</u>	<u>37357</u>
 <u>NOTE - M :: TRADE EXPENSES</u>		
Stamp Duty	195.82	137
Transaction Charges	156.50	148
Sebi Tax	4.51	5
Security transaction tax	1074.00	6275
Service Tax & Cess	211.36	635
	<u>1642.19</u>	<u>7200</u>
 <u>NOTE - N :: EMPLOYEES BENEFIT COST</u>		
Salary & Bonus	23134.00	22769
Directors Remuneration	180000.00	180000
	<u>203134.00</u>	<u>202769</u>

## MODERN CONVERTERS LIMITED

### NOTES (CONTD.)

(Annexed to and forming part of the Accounts for the year ended 31<sup>st</sup> March, 2012)

### NOTE - 'O' :: NOTES ON ACCOUNTS

#### 1. Accounting Policy

- a. The Company has followed the mercantile system of accounting and statement of accounts have been prepared on the historical cost basis and conform to the prevailing statutory provisions and practices.
- b. The fundamental accounting assumption of going concern has been followed in preparing the accounts of the Company.
- c. Depreciation on Fixed Assets has been provided on written down value method as per provisions contained in Schedule XIV of the Companies Act, 1956.
- d. As per usual practices consistently followed by the Company, Bonus to Employees is accounted for on payment basis.
- e. Stock of Traded Shares, Debentures etc. are valued at lower of the cost or market value and the investments are valued at cost.

2. Liability on Capital Redemption A/c. of Rs. 36,670/- (Prev. year Rs. 36,670/-) represents balance of Redeemable Preference Shares, which remained unpaid till 31st March, 2012.

3. Additional information pursuant to part II of Schedule VI of the Companies Act, 1956 :

- a) The Company has not carried on any manufacturing/processing jobs during the year.
- b) Details of Purchases, Sales and Opening & Closing Stocks of Shares and Securities dealt with are given below :-

	<u>Current Year</u>		<u>Previous year</u>	
	Qty	Value (Rs. P.)	Qty	Value (Rs.)
<b><u>Opening Stock</u></b>				
Shares & Debentures	44,367	5,51,709	1,72,324	27,11,784
<b><u>Purchases</u></b>				
Shares & Debentures	18,550	12,37,538	11,589	21,86,066
(Including Bonus & Conversions)				
Sales/Transfer	5,700	8,79,748	1,39,546	43,99,294
<b><u>Closing Stock</u></b>				
Shares & Debentures	57,217	8,65,293	44,367	5,51,709

#### Notes :-

- (i) The above particulars are exclusive of investment in Shares and Debentures shown under the head 'INVESTMENTS'.
- (ii) Nos. of Shares/Debentures etc. are inclusive of Debentures converted into Shares.

## MODERN CONVERTERS LIMITED

### 4. RELATED PARTY DISCLOSURES

#### I Related parties

##### A Key Managerial Personnel

Bimal Kumar Poddar	Director
Rajeev Chirimar -	Director
R.N. Chirimar	Director

##### B Relatives of Key Managerial Personnel

Binod Kumar Chirimar  
 Chandra Kala Chirimar  
 Keshav Chirimar  
 Manju Devi Chirimar  
 Raghav Chirimar  
 Sangita Chirimar

##### C Other Related Parties over which any of (A) or (B) can exercise control or significant influence

Rajeev Chirimar HUF

#### I Transactions with Related Parties

	With Key Managerial personnel	with Relatives of key Managerial Personnel	With Others
<u>Director's Fees</u>	Bimal Kr. Poddar 900 Rajeev Chirimar 900 R.N. Chirimar 900	-	-
<u>Director Remuneration</u>	180000	-	-
<u>Rent Paid</u>	Rajeev Chirimar 12000	-	-
<u>Contribution to equity</u>	Bimal Kr. Poddar 3000 Rajeev Chirimar 20100 R.N. Chirimar 5000	Binod Kumar Chirimar 1000 Chandra Kala Chirimar 1000 Keshav Chirimar 28000 Manju Devi Chirimar 87010 Manju Devi Chirimar 115000 Raghav Chirimar 17000 Sangita Chirimar 3000 Sangita & Rajeev 30000 Rajeev & MD Chirimar 125500	Rajeev HUF 45000

## MODERN CONVERTERS LIMITED

5. Stock of Shares, Debentures etc. have been valued at lower of the cost or market value and the Investments at actual cost.
6. During the year the Company has accounted for Deferred Tax in accordance with the Accounting Standard – '22' issued by the Institute of Chartered Accountants of India.

The movement of Deferred Tax is given below :-

Particulars	Opening as on 01.04.2011 (Rs.)	Adj. during the year (Rs.)	Closing as on 31.03.2012 (Rs.)
Deferred Tax Liabilities			
For Depreciation	3,443.45	44,621.62 (Dr.)	41,178.17 (Dr.)
	3,443.45	44,621.62 (Dr.)	41,178.17 (Dr.)
	=====	=====	=====

7. In pursuance of Accounting Standard – 28 on impairment of Assets (AS-28) issued by the Institute of Chartered Accountants of India; the management has reviewed its carrying cost of assets with value in use (determined based on future earnings)/ net selling price (determined based on a valuation). Based on such review, the Management is of the view that in the current financial year no provision in respect of impairment of assets is considered necessary.
8. The Equity Shares of the Company are not traded on the Kolkata Stock Exchange. The Company has sought delisting and listing fees are disputed and has not been paid and provided for since 2002-2003.
9. As the company is dealing in share & Securities the question of Micro, Small and Medium Enterprises Development Act, 2006 does not apply.
10. Figures for the previous year have been re-arranged/regrouped wherever found necessary.

# MODERN CONVERTERS LIMITED

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

	(Figure to nearest Rupees)		
	2011-2012		2010-2011
<b>A. Cash Flow from Operating Activities</b>			
Net Profit before Tax and extra-ordinary items	(533,458)		225,086
Adjustment for:			
Depreciation	167,881	86,637	
Investments Income (Loss)	-	(410,001)	
Long Term Capital Gain	77,294	-	
Short Term Capital Gain	495,218	-	
Interest Incomes	-	(8,845)	
Dividend Received	(51,578)	(79,036)	
Refund of Income Tax	(133,810)	-	
Loss on Sale of Car	92,988	-	
Intt. on Car Loan & Processing Charges	40,193	688,186	19,410 (391,835)
<b>Operating Profit before Working Capital Charges</b>			
Trade and other Receivables	204,622	(264,565)	
Inventories	(313,584)	2,160,074	
Trade Payable	(31)	(79,931)	1,815,578
	45,736		1,648,829
<b>Cash Generated from Operations</b>			
Income Tax Refund	216,360	33,195	
Income Tax Paid	-4,000	-25,000	8,195
	258,096		1,657,024
<b>B. Cash Flow from Investment Activities</b>			
Investments : Purchases	(1,215,061)	(4,508,541)	
Sales	1,385,348	2,944,498	
Dividend Received	51,578	79,036	
Sale of Fixed Assets	500,000	-	
Purchase of Fixed Assets	(547,650)	173,215	(729,311) (2,214,318)
<b>C. Cash Flow from Financing Activities</b>			
Interest on Loan	(40,193)	-	
Dividend Paid	-	-	
Unpaid Dividend Transfer to Investor Education and Protection Fund	-15039	-	
Loan Taken	-	495,630	
Loan Repaid	(467,085)	(47,955)	
<b>Net Cash used in Financing Activities</b>	-522,317		447,675
<b>Net Increase in Cash &amp; Cash Equivalent (A+B+C)</b>	(91,006)		(109,619)
<b>Opening Cash &amp; Cash Equivalent</b>	354,896		(454,515)
<b>Closing Cash and Cash Equivalents</b>	263,890		354,896

Mission Court  
25, Rajendra Nath Mukherjee Road  
Kolkata, the 23rd August 2012

For and on behalf of  
Ghosh & Ghosh  
Chartered Accountants  
A. K. Ghosh  
Partner

RN Chirimar  
B. K. Poddar  
Rajeev Chirimar  
Directors.

# **Modern Converters Limited**

56E, HEMANTA BASU SARANI OLD ,4, B.B.D BAGH(EAST), KOLKATA - 700001

## **PROXY FORM**

FOLIO NO.	
NO. OF SHARES	

I/We\_\_\_\_\_of\_\_\_\_\_  
----- Being a Member / Members of Modern Converters Limited hereby  
appoint Mr. / Ms. \_\_\_\_\_ as my / our Proxy to  
attend and vote for me / us and on my / our behalf at the ANNUAL  
GENERAL MEETING of the Company to be held on 29th September, 2012  
and at any adjournment(s) thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Affix  
Re.1/-  
Revenue  
Stamp

Proxy form must reach company's registered  
office not later than 48 hours before the  
commencement of the meeting

FOR OFFICE USE ONLY

DATE OF RECEIPT

Signature(s)

# **Modern Converters Limited**

56E, HEMANTA BASU SARANI OLD .4, B.B.D BAGH(EAST), KOLKATA - 700001

## **ATTENDANCE SLIP**

FOLIO NO.	
NO. OF SHARES	

*Name & Address of Shareholder / Proxy holder*

-----  
-----  
-----

*I, hereby certify that I am a registered Shareholder / Proxy for the registered Shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on 29th September, 2012 at 10.00 A.M. at its Registered Office at 56E, Hemanta Basu Sarani Old ,4, B.B.D Bagh(East), Kolkata - 700001*

*Member's / Proxy's Signature*

*(Shareholder attending the meeting in person or by proxy is requested to complete the attendance slip and handover at the entrance of the Meeting Hall)*

\_\_\_\_\_