



**MODEX INTERNATIONAL SECURITIES LIMITED**

REGD. OFFICE: 507 PADMA TOWER – II, 22 RAJENDRA PLACE, NEW DELHI – 110008

**17<sup>TH</sup> ANNUAL REPORT – 2010-11**

**BOARD OF DIRECTORS**

- **MR. DHARMENDRA KUMAR ARORA**
- **MR. MAHESH GOPAL GOEL**
- **MR. PAVAN SACHDEVA**
- **MR. VIJAY DHAWAN**
- **MR. PARMINDER SINGH KINDRA**
- **MR. SANJAY MOHAN UNIYAL**

- WHOLE TIME DIRECTOR (CHAIRMAN)**
- WHOLE TIME DIRECTOR**
- DIRECTOR**
- DIRECTOR**
- DIRECTOR**
- DIRECTOR**

**AUDITORS**

- **M/S S. CHAND MITTAL & CO.**  
**CHARTERED ACCOUNTANT**  
**207, D.R. CHAMBERS**  
**12/56 DESH BANDHU GUPTA ROAD**  
**KAROL BAGH, NEW DELHI – 110005**

**BANKERS**

- **ICICI BANK LTD.**
- **HDFC BANK LTD.**
- **DENA BANK**

**REGISTERED & SHARE TRANSFER AGENTS**

- **M/S MAS SERVICES LTD.**  
**T-34, IIND FLOOR,**  
**OKHLA INDUSTRIES AREA, PHASE II,**  
**NEW DELHI – 110020**

**REGD. OFFICE**

- **507, PADMA TOWER – II**  
**22, RAJENDRA PLACE**  
**NEW DELHI – 110008**

**CORPORATE OFFICE**

- **1003-1004, SURYA KIRAN BUILDING,**  
**K.G. MARG, NEW DELHI – 110001**

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**NOTICE**

Notice is hereby given that 17<sup>th</sup> Annual General Meeting of the members of **MODEX INTERNATIONAL SECURITIES LIMITED** (the Company) will be held on Tuesday, 27<sup>th</sup> September, 2011 at 10.00 A.M. at Bhati Farms, Village Bhati, Mehrauli, Delhi-110030 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the financial year ended March 31, 2011 and Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pavan Sachdeva, who retires from office by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sanjay Mohan Uniyal, who retires from office by rotation, and being eligible, offers himself for re-appointment.
4. To re-appoint M/s S. Chand Mittal & Co, Chartered Accountants, as the Auditors of company, to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of next Annual General Meeting on a remuneration to be decided by the Board of Directors.

**SPECIAL BUSINESS:**

**To appoint Mr. Pavan Sachdeva as Whole Time Director:** To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and rules and regulations made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as approved by the Board of Directors in their meeting held on 13<sup>th</sup> August, 2011, the consent of the Members, be and are hereby, accorded for the appointment of Mr. Pavan Sachdeva as “Whole Time Director” for a period of 3 (Three) years with effect from 01<sup>st</sup> November, 2011 to 31<sup>st</sup> October, 2014 on the following terms, conditions and remuneration as approved by the Remuneration Committee of the Board of Directors of the Company:

(a) Salary: Rs.72,000/- with a minimum increment of 20% .This will include dearness allowance and all other allowances not otherwise specified therein.

(b) Perquisites as follows:-

(i) Housing: - Rent Free Accommodation will be provided to appointee for which ten percent of his salary shall be recovered. In case, no accommodation is provided by the company, house rent allowance at sixty percent of his salary, shall be paid. In addition, he shall be allowed free use of the company owned furniture and other consumer durables, if required.

(ii)The expenditure incurred by the appointee on gas, electricity, eater and furnishings shall be reimbursed by the company.

(iii) All medical expenses incurred for him and his family shall be reimbursed.

(iv) Leave Travel concession for self and family will be allowed for tour including foreign tour once in a year as may be sanctioned by the Board.

(v) Fees of clubs subject to maximum of two clubs will not include; this will not include admission and life membership.

(vi) Personal accident insurance, the premium of which shall not exceed Rs. 10,000/- per annum.

(vii) Contribution to Provident Fund, superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.

(viii) Gratuity as per the provisions of Payment of Gratuity Act, or as per the Gratuity scheme of the company.

(ix) Provision of car with driver for use on company's business and telephone at the residence.

(x) Leave unavailed of to be allowed to be encashed as per the rules of the company.

**RESOLVED FURTHER THAT** in the event of inadequacy or absence of profit in any financial year Mr. Pavan Sachdeva, Whole Time Director of the company shall be paid the same remuneration as stated hereinabove, as minimum remuneration but subject to upper limit, if any, prescribed under the Companies Act, 1956 from time to time.

**RESOLVED FURTHER THAT** in the event of loss of his office as whole time director, Mr. Pavan Sachdeva, Whole Time Director shall be paid compensation in the manner and to the extent permissible under the provisions of section 318 of the Companies Act, 1956.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby severally authorized to sign, execute, file or modify any return, form, document or paper and to take such steps and to do all acts, things and deeds, as it may consider necessary or expedient, to give effect to this Resolution."

**By Order of the Board  
For Modex International Securities Limited**

**Place : NEW DELHI  
Date : 12-08-2011**

**Dharmendra Kumar Arora  
(Chairman)**

**NOTES :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business to be transacted at the Extra-Ordinary General Meeting is annexed hereto and forms part of the notice.
3. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 22<sup>th</sup> September, 2011 to Tuesday, 27<sup>th</sup> September, 2011 (both days inclusive).
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
6. Members holding shares in physical form are requested to intimate change in their address, if any, immediately to the Company's Registrar and Share Transfer Agents, M/s Mass Services Limited, T - 34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi – 110 020. Members holding shares in electronic mode must intimate the change in their address if any to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agents.
7. Members who are holding shares in more than one Folio are requested to intimate the Secretarial Department the details of all their folio numbers for consolidation into a single folio.
8. Members desirous of having any information regarding Accounts are requested to address their queries to the Company at the Registered Office of the Company at least seven days before the date of the meeting, so that the requisite information is made available at the meeting.
9. Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
10. As an austerity measure, copies of the Annual Report of the Company will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

**By Order of the Board  
For Modex International Securities Limited**

**Place : NEW DELHI  
Date : 12-08-2011**

**Dharmendra Kumar Arora  
(Chairman)**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**  
**ITEM NO. 5**

The Board of Directors of the Company at their meeting held on 13<sup>th</sup> August, 2011 considered the appointment of Mr. Pavan Sachdeva, Director of the Company as “Whole Time Director” and recommended to the shareholders for their approval. The appointment will be effective from 01<sup>st</sup> November, 2011 to 31<sup>st</sup> October, 2014.

Based on the recommendations of the Remuneration Committee, the Board of Directors in its meeting held on 13<sup>th</sup> August, 2011 approved the remuneration payable to Mr. Pavan Sachdeva, as stated in the Resolution.

The Board may, in its absolute discretion, pay to him such remuneration as it may deem fit and revise it from time to time within the limits stipulated in this Resolution.

In terms of Schedule XIII of the Companies Act, 1956, the appointment of Mr. Pavan Sachdeva as “Whole Time Director” of the Company, requires the consent of the Shareholders. Except Mr. Pavan Sachdeva, Director of the Company, none of the Directors is concerned or interested in the proposed resolution except to the extent of their shareholding, if any. The Board recommends the resolution for the approval of the Members.

**By Order of the Board  
For Modex International Securities Limited**

**Place : NEW DELHI  
Date : 12-08-2011**

**Dharmendra Kumar Arora  
(Chairman)**

**DIRECTORS' REPORT**

To the members of Modex International Securities Limited,

Your Directors have pleasure in presenting this 17<sup>th</sup> Annual Report of the Company together with Audited Accounts for the year ended on 31<sup>st</sup> March, 2011.

**FINANCIAL RESULTS**

The highlights of financial results of the Company for the financial years 2009-10 and 2010-11 are as under:-

PARTICULARS	AMOUNT (Rs.)	
	2010-2011	2009-2010
Total Income	114,686,603	99,703,366
Less : Total Expenditure	87,886,262	95,474,444
Profit / (Loss)	26,800,341	4,228,923
Less: Depreciation	27,03,155	22,21,414
Less : Provision for Taxation	196,400	307,830
Less : Income Tax Adjust (Last year)	2,352	22,870
Less : Deferred Tax Liability/(Assets)	(103,436)	54,258
Profit / (Loss) after Taxation	24,001,870	1,622,551
Add: Balance Brought Forward from last year	43,656,112	42,033,561
<b>Profit/(Loss) carried to Balance Sheet</b>	<b>67,657,982</b>	<b>43,656,112</b>

**PERFORMANCE**

During the year under review the total Income of your Company was Rs. 1,146.87 Lacs as compared to Rs. 997.03 Lacs during the previous year, thereby showing an increase by 15.03 %. As a result the Company has earned a Profit (after tax) of Rs. 240.01 Lacs as against a Profit (after tax) of Rs. 16.23 Lacs in previous year.

**DIVIDEND**

Keeping in view further expansion plans in broking space, your directors do not recommend any dividend for the year ended on 31<sup>st</sup> March, 2011.

**FIXED DEPOSIT**

Your Company has neither invited nor accepted any deposits from public within the meaning of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975 during the year under review.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Pavan Sachdeva and Mr. Sanjay Mohan Uniyal, are liable to retire by rotation as Directors at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The Company being in the financial sector, the particulars as prescribed under 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 regarding Conservation of Energy and Technology Absorption are not applicable to the Company.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange earnings and outgo were nil during the current year.

**PARTICULARS OF EMPLOYEES**

There are no employees who are in receipt of remuneration in excess of the rates/amounts specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) The annual accounts of the Company have been prepared in conformity with the generally accepted accounting standards in India.
- (ii) Accounting policies selected were applied consistently, reasonable and prudent judgment and estimates are made so as to give a true and fair view of the Company as on 31<sup>st</sup> March 2011 and of the Profit of the Company for the Year ended on that date.
- (iii) 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 and detecting fraud and other irregularities. The internal audit control system of the Company is monitored by the director's themselves.
- (iv) The Company is in a position to carry on its business in the foreseeable future and, accordingly, the financial statements have been prepared on the basis of a going concern.

**CORPORATE GOVERNANCE**

A detailed report on Corporate Governance alongwith the Certificate of M/s S. Chand Mittal & Co., Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with The Delhi Stock Exchange forms part of the Annual Report.

**AUDITORS**

M/s S. Chand Mittal & Co., Chartered Accountants, retires as Statutory Auditors of the Company at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Statutory Auditors, if re-appointed. They have furnished a certificate to the effect that their appointment, if made, will be within the limits prescribed Under Section 224(1B) of the Companies Act, 1956.



**AUDITORS' REPORT**

The Auditors' Report read with notes on accounts is self-explanatory and therefore, in the opinion of the Directors, do not call for any further explanation.

**ACKNOWLEDGEMENT**

Your Directors appreciate the trust reposed by the Investor fraternity and Clients in the Company and look forward to their continued patronage. The Directors are also grateful and pleased to place on record their appreciation for the excellent support, guidance and cooperation extended by the Delhi Stock Exchange, Bombay Stock Exchange, National Stock Exchange, MCX Stock Exchange, United Stock Exchange, Central Depository Services (India) Ltd. The Board also expresses its appreciation of the understanding and support extended by the shareholders and employees of the Company.

By Order of the Board of Directors of  
**Modex International Securities Limited**

**Dharmendra Kumar Arora**  
(Chairman)

**DATE : 12.08.2011**  
**PLACE : NEW DELHI**

**REPORT ON CORPORATE GOVERNANCE**  
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

**1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE**

Your Company believes in conducting its affairs with the highest levels of integrity, with proper authorizations, accountability and transparency to give best services to Indian Investors for dealing in stock exchange for the growth of economy as whole. The business operations of your Company are conducted not to benefit any particular interest group but for the benefit of all stakeholders.

A report on the implementation of the Code of Corporate Governance as per clause 49 of the Listing agreement is given below:

**2. BOARD OF DIRECTORS**

The business of the Company is managed by a Board of Directors. The Board formulates the strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. The Executive Directors manage the day-to-day operations of the Company.

**2.1 COMPOSITION**

The Board of Directors of the Company as at the year ending March 31, 2011 consists of 6 Directors comprising of 2 Executive directors and 4 Non – Executive Independent Directors which is in compliance with the requirements of Clause 49 of the Listing Agreement.

**2.2 BOARD MEETINGS AND ATTENDANCE**

During the year under review, the Board of Directors met 11 (eleven) times viz. 12<sup>th</sup> April, 2010, 24<sup>th</sup> April, 2010, 24<sup>th</sup> May, 2010, 30<sup>th</sup> June, 2010, 31<sup>st</sup> July, 2010, 20<sup>th</sup> September, 2010, 13<sup>th</sup> November, 2010, 20<sup>th</sup> November, 2010, 3<sup>rd</sup> January, 2011, 8<sup>th</sup> February, 2011 and 14<sup>th</sup> February, 2011 and the gap between two meetings did not exceed three months.

Composition and category of Directors and attendance of each Director at the Board Meetings, last Annual General Meeting and Number of other Directorship and Chairmanship / Membership of Committee of each Director in various Companies:

Name of the Director	Category of Director	Attendance at Board Meetings		Attendance at last A.G.M. held on 30.9.2010	Number of other Directorships <sup>1</sup> and other Committee <sup>2</sup> Memberships & Chairmanships	
		Held	Attended		Directorships	Committee Memberships
Mr. Mahesh Gopal Goel	Whole Time Director-Promoter	11	11	Yes	Nil	Nil
Mr. Dharmendra Kumar Arora	Whole Time Director-Promoter	11	11	Yes	2	Nil
Mr. Vijay Dhawan	Independent Non-Executive	11	11	Yes	Nil	Nil
Mr. Parminder Singh Kindra	Independent Non-Executive	11	11	Yes	Nil	Nil

Mr. Pavan Kumar Sachdeva	Independent Non-Executive	11	11	Yes	3	Nil
Mr. Sanjay Mohan Uniyal	Independent Non-Executive	11	11	Yes	Nil	Nil

1. The directorships held by the directors, as mentioned above, do not include the directorships held in Foreign Companies, Private Limited Companies, Companies under Section 25 of the Companies Act and Alternate Directorships.
2. The committees considered for the purpose are those prescribed under Clause 49(I)(C)(ii) of the Listing Agreement viz. Audit Committee and Shareholders/Investor Grievance Committee of Indian public Limited Companies.

**2.3 REMUNERATION OF DIRECTORS (AS ON 31-03-2011)**

**a) Whole time Directors**

No Director whether Executive or Non Executive is getting any sitting fee. Following are the details of remuneration paid to Whole time Directors:

<b>Name</b>	<b>Designation</b>	<b>Salary &amp; Perks (In Rs.)</b>
Mr. Mahesh Gopal Goel	Whole Time Director	6,50,000/-
Mr. Dharmendra Kumar Arora	Whole Time Director	6,50,000/-

**b) Non-Executive Directors**

Your company has Mr. Vijay Dhawan, Mr. Parminder Singh Kindra, Mr. Pavan Kumar Sachdeva & Mr. Sanjay Mohan Uniyal as Non-Executive Directors on its Board as on 31<sup>st</sup> March 2011. The said Directors do not have any pecuniary relationship with the Company. No remuneration or sitting fee is paid to the Non-Executive Directors by the Company.

**3. AUDIT COMMITTEE**

Since the Paid up Capital of the Company is less than Rs. 5 Crore, the Audit Committee U/s 292A of the Companies Act, 1956 has not been constituted.

**3.1 SHAREHOLDERS/INVESTOR GRIEVANCES COMMITTEE:**

The Company has constituted “Shareholders/Investors Grievance Committee” as on 3.01.03 under the chairmanship of a non-executive/independent director to specifically look into shareholder issues including share transfer, transmission, issue of duplicate certificates and redressing of shareholder complaints like non receipt of balance sheet, declared dividend etc. Details of the composition of Shareholders/Investors Grievance are as follows:

<b>Director</b>	<b>Position</b>
Mr. Vijay Dhawan	Chairman (Non-Executive)
Mr. Mahesh Gopal Goel	Executive Director
Mr. Dharmendra Kumar Arora	Executive Director
Mr. Parminder Singh Kindra	Director – Non Executive

Complaints/correspondence are usually dealt within 10 days of receipt and are completely resolved except in cases where litigation is involved. However no complaint from any shareholder has been received during the year.

S.No	Nature of Complaint	Received	Disposed	Pending	Remarks
	NIL	NIL	NIL	NIL	NIL

**3.2 SHARE TRANSFER COMMITTEE:**

Share Transfer Committee considers and approves share transfers/transmissions, re-materialisation, issue of duplicate share certificates and other related activities in physical mode besides taking note of beneficial owner' position under Demat mode. In order to expedite the transfer process, the Board appointed a Registrar company to approve requests for transfer/transmission of shares w.e.f. 03-01-2003. Details of the composition of Shareholders/Investors Grievance are as follows:

Director	Position
Mr. Parminder Singh Kindra	Chairman(Non-Executive)
Mr. Mahesh Gopal Goel	Executive Director
Mr. Dharmendra Kumar Arora	Executive Director
Mr. Vijay Dhawan	Director – Non Executive

**3.3 APPOINTMENT OF COMPLIANCE OFFICER**

Mr. K.L. Grover, Vice President (Finance) of the Company is also the Compliance Officer of the Shareholders/ Investors Grievance & Transfer Committee.

**4. GENERAL BODY MEETINGS OF THE SHAREHOLDERS**

Particulars of the General Meetings of the shareholders held during last 3 years:

Year	Date	Time	Venue	Special Resolution, if any
2007-2008	30-09-2008	10.00 A.M.	Bhati Farms, Village Bhati, Mehrauli, New Delhi-110030	Nil
2008-2009	26-09-2009	10.00 A.M.	Bhati Farms, Village Bhati, Mehrauli, New Delhi-110030	Nil
2009-2010	30-09-2010	10.00 A.M.	Bhati Farms, Village Bhati, Mehrauli, New Delhi-110030	Nil

**5. DISCLOSURES**

**5.1 MATERIAL CONTRACTS/RELATED PARTY TRANSACTIONS**

There are no materially significant related party transactions that have potential conflict with the interests of the Company at large.

**5.2 COMPLIANCES BY THE COMPANY**

The Company has complied with the requirements of the SEBI and Stock Exchanges (DSE) on all matters related to capital markets during the last three years except for non-publication of Notice for board meetings in some cases. All returns and reports were filed within stipulated time with Stock Exchanges/other authorities.

**5.3 CODE OF CONDUCT FOR DIRECTORS AND SENIOR EXECUTIVES**

Code of conduct approved by the Board is a comprehensive code applicable to Executive and Non-Executive Directors as well as to the senior management of the Company. The code has been circulated to all the Directors and members in the senior management at the beginning of the financial year and the same has been affirmed by them. A declaration to this effect signed by Chairman is enclosed.

**5.4 EXECUTIVE DIRECTORS / CFO CERTIFICATION**

The Executive Directors and the Company have certified to the Board with regard to the compliance made by them in terms of Clause 49(V) of the Listing Agreement.

**5.5 ACCOUNTING TREATMENT**

The financial statements are prepared under the historical cost convention and have been prepared in accordance with applicable mandatory Accounting Standards and relevant presentational requirements of Institute of Chartered Accountants of India and provisions in the Companies Act, 1956.

**5.6 MEANS OF COMMUNICATION**

The Company communicates with its shareholders through its Annual Report, General Meetings, on website, [www.modexindia.com](http://www.modexindia.com).

Quarterly un-audited results are informed to Delhi Stock Exchange soon after these are taken on record by the Board. The results are published in two daily newspapers, one in English language and other in vernacular language i.e. Hindi.

**6. GENERAL INFORMATION FOR SHAREHOLDERS**

**6.1 ANNUAL GENERAL MEETING**

Date : 27<sup>th</sup> September, 2011  
 Time : 10.00 A.M.  
 Venue : Bhati Farms, Village Bhati, Mehrauli, New Delhi – 110 030

**6.2 FINANCIAL CALENDAR FOR 2011-12 (TENTATIVE)**

<b>EVENTS</b>	<b>TENTATIVE DATE</b>
Annual General Meeting	July- September 2012
Un-Audited Financial results for the first quarter ending 30 <sup>th</sup> June, 2011	July/August, 2011
Un-Audited Financial results for the second quarter ending 30 <sup>th</sup> September, 2011	October/November, 2011
Un-Audited Financial results for the third quarter ending 31 <sup>st</sup> December, 2011	January/February, 2012
Un-Audited Financial results for the fourth quarter ending 31 <sup>st</sup> March, 2012	April, 2012

**6.3 DATE OF BOOK CLOSURE**

Book Closure / Record date: 22-09-2011 to 27-09-2011 (both days are inclusive)

**6.4 LISTING ON STOCK EXCHANGES**

The Company's shares are listed with Delhi Stock Exchange Limited (DSE). Listing fees for the year 2011-2012 has been paid to the Stock Exchange in time.

**6.5 REGISTRAR AND SHARE TRANSFER AGENT**

M/s Mas Services Limited, New Delhi, is the Company's Registrar and Share Transfer Agent among others. All kinds of investors' related services both for physical as well as electronic segments are provided from the Share Registry. Complaints/Grievances are addressed within a week's time on an average.

All share transfers are affected in time and all physical share certificates are dispatched to the transferees immediately after affecting the transfer.

**6.6 SHAREHOLDING PATTERN AS AT 31ST MARCH, 2011**

Sl. No.	Category	No. of Shares	% of Shareholding
<b>A.</b>	<b>Promoter's Holding</b>		
1.	<b>Promoters</b>		
a)	Indian Promoters	2148000	71.60
b)	Foreign Promoters	Nil	Nil
2.	Persons acting in Concert	Nil	Nil
	<b>Sub-Total (A)</b>	<b>2148000</b>	<b>71.60</b>
<b>B.</b>	<b>Non-Promoters Holding</b>		
3.a)	Institutional Investors	Nil	Nil
b)	Mutual Funds and UTI Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutional / Non-Govt. Institutions)	Nil	Nil
c)	FII's	Nil	Nil
4.	<b>Others</b>		
a)	Private Corporate Bodies	450300	15.01
b)	Indian Public	401700	13.39
c)	NRIs/OCBs	Nil	Nil
d)	Any other (please specify)	Nil	Nil
	<b>Sub-Total (B)</b>	<b>852000</b>	<b>28.40</b>
	<b>GRAND TOTAL (A + B)</b>	<b>3000000</b>	<b>100.00</b>

**6.7 DEMATERIALISATION OF SHARES & LIQUIDITY**

As on 31<sup>st</sup> March 2011, about 0.38% of the Shares of the Company have been Dematerialised.

**6.8 ADDRESS FOR INVESTOR CORRESPONDENCE:**

The Company's Registered Office is situated at:  
 507, Padma Tower – II, 22 Rajendra Place  
 New Delhi – 110008 E-Mail Address : [contact@modexindia.com](mailto:contact@modexindia.com)

The Company has created a dedicated E-mail Id in the name and style of [grievances@modexindia.com](mailto:grievances@modexindia.com) for exclusive dealing with shareholder/investor related

correspondence/grievances for prompt and efficient investor service by the Company. Shareholders/Investors have been advised to send their queries/complaints through this e-mail id for quick and prompt reply from the Company.

Shareholders holding shares in electronic form have been advised to address all their correspondence regarding change of address, bank particulars etc. to their respective Depository Participants (DPs) only.

**For Modex International Securities Limited**

**Place: New Delhi**

**Dharmendra Kumar Arora**

**Date: August 12, 2011**

**(Chairman)**

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Employees have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2011.

**For Modex International Securities Limited**

**Place: New Delhi**

**Dharmendra Kumar Arora**

**Date: August 12, 2011**

**(Chairman)**

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

The Members

Modex International Securities Limited

We have examined all relevant records of Modex International Securities Limited ("the Company") for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Delhi Stock Exchange Association Limited for the financial year ended March 31, 2011.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements 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 further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place: New Delhi**  
**Date: August 12, 2011**

**For S. Chand Mittal & Co.**  
**Chartered Accountants**  
**(Registration No.09818N)**  
**Suresh Chand Mittal**  
**Membership No. 88587**



**AUDITOR'S REPORT**

To

**The Members of Modex International Securities Limited,**

1. We have audited the attached Balance Sheet of Modex International Securities Limited (the "Company") as at 31<sup>st</sup> March, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, they said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2011;
- (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For S. Chand Mittal & Co.  
Firm Registration Number: 9818N  
Chartered Accountants**

**New Delhi  
12<sup>th</sup> August, 2011**

**Suresh Mittal  
Partner  
Membership Number: 88587**

**ANNEXURE TO AUDITORS REPORT**

Referred to in paragraph 3 of our report of even date to the members of Modex International Securities Limited on the financial Statements of the year ended 31<sup>st</sup> March 2011.

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
  - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. The Company is not carrying on any manufacturing or trading activity. Therefore, the provisions of sub clause (a), (b), and (c), of clause (ii) of paragraph 4 of the Order are not applicable to the Company.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
  - (b) In view of the clause 3 (a) above, clause 3 (b), (c) and (d) are not applicable.
  - (c) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
  - (d) In view of the clause 3 (c) above clause 3 (f) and (g) are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weakness have been noticed or reported.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered 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 made in pursuance of such contracts or arrangements 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 the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, service tax and other material statutory dues as applicable with the appropriate authorities. .

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax and service-tax as at 31<sup>st</sup> March, 2011 which have not been deposited on account of a dispute.
10. The Company has no accumulated losses as at 31<sup>st</sup> March, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
  11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
  12. 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. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
  14. In our opinion, the Company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. Further, such securities have been held by the Company in its own name or are in the process of transfer in its name, except to the extent of the exemption granted under Section 49 of the Act.
  15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
  16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
  17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
  18. 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 during the year.
  19. The Company has not issued any debentures, hence this clause is not applicable.
  20. The Company has not raised any money by public issues during the year.
  21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For **S. Chand Mittal & Co.**  
**Firm Registration Number: 9818N**  
**Chartered Accountants**

**New Delhi**  
**12<sup>th</sup> August, 2011**

**Suresh Mittal**  
**Partner**  
**Membership Number: 88587**

Balance Sheet As At 31<sup>st</sup> March, 2011

	Schedule	As at		As at	
		31st March, 2011		31st March, 2010	
		Rupees	Rupees	Rupees	Rupees
<b><u>SOURCES OF FUNDS</u></b>					
<b>Share Holder's Fund:</b>					
Share Capital	'A'		30,000,000		30,000,000
Reserve & Surplus	'B'		78,027,482		54,025,612
Loan Funds					
Secured Loans	'C'		11,744,452		1,314,270
Deferred Tax Liability			98,597		202,033
Total			<u>119,870,531</u>		<u>85,541,916</u>
<b><u>APPLICATION OF FUNDS</u></b>					
<b>Fixed Assets</b>					
Gross Block		18,633,973		16,701,297	
Less: Depreciation	'D'	<u>9,354,585</u>		<u>7,248,060</u>	
Net Block			9,279,388		9,453,237
<b>Investments</b>	'E'		22,910,000		24,810,000
<b>Current Assets</b>					
<b>Loans and Advances</b>					
Inventories		73,427,810		17,970,636	
Sundry Debtors	'F'	107,645,381		73,094,349	
Cash & Bank Balances	'G'	41,915,771		48,986,937	
Loans & Advances	'H'	<u>40,808,799</u>		<u>36,504,387</u>	
		263,797,761		176,556,309	

<b>Current Liabilities &amp; Provisions</b>	‘1’	<u>176,116,617</u>	<u>125,277,631</u>
		176,116,617	125,277,631
<b>Net Current Assets</b>		87,681,144	51,278,679
<b>Total</b>		<u><u>119,870,531</u></u>	<u><u>85,541,916</u></u>

**For S. CHAND MITTAL & CO.  
CHARTERED ACCOUNTANTS**

**For and on behalf of the Board**

**Suresh Chand Mittal  
(Partner)**

**(Mahesh Gopal Goel)  
Director**

**(Dharmendra Kumar Arora)  
Director**

**Place : New Delhi  
Date : 12-08-2011**

**(Kundan Lal Grover)  
Vice President**

Profit And Loss Account for the year ended on 31st March, 2011

Particulars	Schedule	Year ended 31st March, 2011		Year ended 31st March, 2010	
		Rupees	Rupees	Rupees	Rupees
<b><u>INCOME</u></b>					
Brokerage Income		49,608,552		67,050,353	
Income from sale purchase of shares		36,822,803		29,115,991	
Income from Depository Services		1,208,593		1,025,197	
Other Income	'J'	<u>27,046,654</u>		<u>2,511,825</u>	
			114,686,603		99,703,366
<b><u>EXPENDITURE</u></b>					
Brokerage Paid			26,839,824		25,010,380
Administration Expenses	'K'		25,980,185		22,241,739
Personnel Expenses	'L'		18,639,325		18,852,015
Interest & Financial Charges	'M'		1,154,841		730,733
Security Transaction Tax Paid			15,272,086		28,639,578
Depreciation			<u>2,703,155</u>		<u>2,221,414</u>
<b>Total</b>			<u>90,589,417</u>		<u>97,695,857</u>
Profit/(Loss) before Tax			24,097,186		2,007,509
Less: Provision for Taxation			196,400		307,830
Less: Taxation for earlier years			2,352		22,870
Less: Deferred Tax Liability/(Asset)			<u>(103,436)</u>		<u>54,258</u>
Profit/(Loss) after Taxation			24,001,870		1,622,551
Add:Balance Brought Forward from last year			<u>43,656,112</u>		<u>42,033,561</u>
Profit/(Loss) carried to Balance sheet			<u>67,657,982</u>		<u>43,656,112</u>

Significant accounting policies and  
Notes to Accounts 'N'

Basic Earning per Share (Rs.) 8.00 0.54

**AS PER OUR REPORT OF EVEN DATE**

**For S. CHAND MITTAL & CO.  
CHARTERED ACCOUNTANTS**

**For and on behalf of the Board**

**Suresh Chand Mittal  
(Partner)**

**(Mahesh Gopal Goel)  
Director**

**(Dharmendra Kumar Arora)  
Director**

**Place : New Delhi  
Date : 12-08-2011**

**(Kundan Lal Grover)  
Vice President**



**Cash Flow Statement**  
For the year ended 31st March, 2011

		(Rs.in lacs)	
		As at 31.03.2011	As at 31.03.2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit/ (Net Loss) before tax and extraordinary items		240.97	20.08
Adjustments for :			
1	Depreciation	27.03	22.21
3	Bank Charges	11.55	7.31
4	Dividend Income	(7.68)	(0.15)
5	Interest Income	(30.28)	(24.97)
6	Profit on sale of fixed Assets	(1.17)	-
		<u>(0.55)</u>	<u>-</u>
<b>Operating Profit/(Loss) before working capital changes</b>		240.42	24.48
Adjustment for :			
1	(Increase)/Decrease in Stock in Trade	(554.57)	(100.80)
2	(Increase)/Decrease in Sundry Debtors	(345.51)	(441.24)
3	(Increase)/Decrease in loans and advances	(43.04)	175.34
4	(Increase)/Decrease in Deferred Tax Asset	(1.03)	-
5	Increase/(Decrease) in Current Liabilities	508.39	644.06
6	Increase/(Decrease) in Secured Loan	104.30	-
		<u>(331.47)</u>	<u>13.14</u>
<b>Cash Generated from operations</b>		(91.05)	314.98
Direct Tax Paid		(0.96)	(0.23)
<b>Net Cash Flow From Operating Activities (A)</b>		<u>(92.01)</u>	<u>314.75</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Increase/(Decrease) in Capital		-	-
Increase/(Decrease) in Share Premium		-	-
Increase/(Decrease) in Capital Reserve		-	-
Purchases of fixed assets		(26.36)	(83.17)
Sale of Fixed Assets		2.23	-
(Increase)/Decrease in Investments		19.00	(9.00)
Interest received		30.28	24.97
Dividend received		7.68	-
		<u>32.84</u>	<u>0.15</u>
<b>Net Cash flow from investing activities (B)</b>		<u>32.84</u>	<u>(67.05)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>			
Bank Charges		(11.55)	(7.31)
<b>Net Cash used in financing activities (C)</b>		<u>(11.55)</u>	<u>(7.31)</u>

Net Increase/(Net Decrease) in cash and cash equivalents (A+B+C)	(70.71)	240.39
Cash and Cash equivalents at the beginning of the year	489.87	249.48
Cash and cash equivalents at the end of the year	419.16	489.87

**For S. CHAND MITTAL & CO.  
CHARTERED ACCOUNTANTS**

**For and on behalf of the Board**

**Suresh Chand Mittal  
(Partner)**

**(Mahesh Gopal Goel)  
Director**

**(Dharmendra Kumar Arora)  
Director**

**Place : New Delhi  
Date : 12-08-2011**

**(Kundan Lal Grover)  
Vice President**

Schedules Forming Part Of Balance Sheet as at 31st March 2011

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
<b>Schedule 'A'</b>		
<b>Share Capital</b>		
Authorised 35,00,000 Equity Shares of Rs.10/- each	<u>35,000,000</u>	<u>35,000,000</u>
Issued & Subscribed Share Capital 30,00,000 Equity Shares of Rs.10/- each [P.Y.30,00,000 Equity Shares of Rs.10 each]	<u>30,000,000</u>	<u>30,000,000</u>
Paid up Share Capital 30,00,000 Equity Shares of Rs.10/- each [P.Y.30,00,000 Equity Shares of Rs.10 each]	<u>30,000,000</u>	<u>30,000,000</u>
<b>Schedule 'B'</b>		
<b>Reserves And Surplus</b>		
Opening Balance	43,656,112	42,033,561
Add: Net Profit/Net Loss during the year	24,001,870	1,622,551
Capital Reserve	3,456,500	3,456,500
Share Premium	<u>6,913,000</u>	<u>6,913,000</u>
	<u>78,027,482</u>	<u>54,025,612</u>
<b>Schedule 'C'</b>		
<b>Secured Loans</b>		
Loan against Shares:		
ICICI Bank	10,016,828	-
Vehicle Loans:		
Kotak Mahindra Prime Limited (Hypothecation of Cars)	787,534	1,314,270
ICICI Bank (Hypothecation of Cars)		

940,090	-
<u>11,744,452</u>	<u>1,314,270</u>

**Schedule 'E'  
Investments**

Fully Paid Equity Shares - Unquoted

Companies under the same

Management:

1,50,000 Equity Shares of Rs. 10/- each

(Previous year 3,50,000) of Modex

Commodity Trades (P) Limited

1,500,000	3,500,000
-----------	-----------

Other Investments

BSE Security Deposit	11,260,000	11,260,000
NSE Security deposit	7,800,000	7,800,000
CDSL Security Deposit	250,000	250,000
BSE Currency Derivative	100,000	100,000
NSE Currency Derivative	1,000,000	1,000,000
Investment in Model Town Office	900,000	900,000
Deposit to United Stock Exchange of India Ltd.	100,000	-
	<u>21,410,000</u>	<u>21,310,000</u>
	<u>22,910,000</u>	<u>24,810,000</u>

**Schedule 'F'  
Sundry Debtors**

Debt Outstanding –(Unsecured,  
Considered good)  
For a Period

More Than Six months	10,857,422	6,586,118
Other Debts	<u>96,787,959</u>	<u>66,508,230</u>
	107,645,381	<u>73,094,349</u>

**Schedule 'G'  
Cash And Bank Balances**

Cash –in –hand

	538,830	1,291,941
Bank Balance with scheduled Banks		
- in Current Accounts	205,817	11,861,190
- in Fixed Deposits	41,171,123	35,833,806
	<u>41,915,771</u>	<u>48,986,937</u>
<b>Schedule 'H'</b>		
<b>Loans And Advances</b>		
Share Application Money	32,000,000	24,500,000
Margin Money	-	5,000,000
V-Sat Deposit	400,000	400,000
Leased Line Deposit	570,000	550,000
TDS a/c	419,114	294,471
Staff Advance	129,410	90,474
Advance recoverable In cash or kind	<u>7,290,275</u>	<u>5,669,443</u>
	<u>40,808,799</u>	<u>36,504,387</u>
<b>Schedule 'I'</b>		
<b>Current Liabilities &amp; Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors	102,039,414	74,583,501
Expenses Payable	1,275,316	1,145,020
Margin & Securities	71,994,625	48,757,357
TDS Payable	350,862	289,423
Security Deposit of Staff	260,000	194,500
<b>Provisions</b>		
Provision for Income Tax	<u>196,400</u>	<u>307,830</u>
	<u>176,116,617</u>	<u>125,277,631</u>
<b>Schedule 'J'</b>		
<b>Other Income</b>		
Interest on FDR	3,028,258	2,496,742
Other Interest		

	49,613	-
Dividend Received	768,420	15,083
Profit on Sale of Agricultural Land	23,083,733	-
Profit on sale of Fixed Assets	<u>116,630</u>	<u>-</u>
	<u><u>27,046,654</u></u>	<u><u>2,511,825</u></u>

**Schedule 'K'**  
**Administrative Expenses**

Directors' Remuneration	1,300,000	1,060,000
Vehicle's Running & Maintenance	286,672	171,924
Directors Travelling Exp.	52,542	145,892
Rent Rates & Taxes	3,035,811	3,224,748
Travelling Expenses	17,821	19,300
Membership & Subscriptions	536,600	132,520
Co-Location Charges	2,930,685	-
NCFM Exam Fee	28,184	72,977
Advertisement Expenses	178,777	551,228
Bad Debts written off	116,734	49,777
Business Promotion	157,718	188,381
Conveyance	297,342	102,153
Electricity & Water Charges	426,414	543,154
ID Charges	1,257,406	1,558,462
Insurance Charges	65,104	53,628
Audit Fees	33,090	16,545
Legal & Professional Charge	897,817	1,062,376
Stock Exchange Charges	8,186,427	8,221,269
Postage, Telegram & Telephones	3,264,088	1,849,820
Data Processing Charge	39,378	40,554

Printing & Stationery		316,322		622,457
Repair & Maintenance				
- Computer & Generator	1,814,241		951,518	
- Office	<u>57,487</u>	1,871,728	<u>793,138</u>	1,744,655
Demat Charges		15,142		4,000
Turnover Tax (SEBI)		524,156		729,425
Miscellaneous Expenses		<u>144,226</u>		<u>76,493</u>
		<u>25,980,185</u>		<u>22,241,739</u>
<b>Schedule 'L'</b>				
<b>Personnel Expenses</b>				
Bonus		553,350		450,625
Salary & Allowances		17,666,371		18,093,013
Staff Welfare		<u>419,604</u>		<u>308,377</u>
		<u>18,639,325</u>		<u>18,852,015</u>
<b>Schedule 'M'</b>				
<b>Interest &amp; Financial Expenses</b>				
Bank Charges		1,027,884		639,972
Interest Paid		5,527		4,747
Interest on Car Loan		<u>121,430</u>		<u>86,014</u>
		<u>1,154,841</u>		<u>730,733</u>

**SCHEDULE 'N'**

**Notes to the Financial Statements**

**1. Significant Accounting Policies**

The Financial Statements are prepared to comply in all material aspects with the applicable accounting principles in India, the accounting standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 of India (the Act) and the other relevant provisions of the Act. The Significant accounting policies are as follows-

**(a)Basis of Accounting**

The financial Statements are prepared in accordance with the historical cost convention.

**(b)Fixed Assets and Depreciation**

Fixed assets are stated at cost of acquisition, including any attributable cost for bringing the assets to its working condition for its intended use, less accumulated depreciation.

Depreciation on assets is provided on the written down value method at the rates and in the manner prescribed in Schedule XIV of the Act, except software's which are amortized over a period of five years.

**(c)Revenue Recognition**

Income and Expenses are recognized on accrual basis except dividends, bonus and staff emoluments (other than salaries) like gratuity. Other items of revenue are recognised in accordance with Accounting Standard – 9 issued by the Institute of Chartered Accountants of India.

**(d)Taxes on Income**

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) - Rs. Nil [Previous year Rs. Nil].

3. Contingent Liability - Bank Guarantee given to NSE Rs.800,00,000 [Previous year Rs. 400,00,000].

	Year ended 31st March, 2011	Year ended 31st March, 2010
	Rupees	Rupees
4. Managerial Remuneration		
Salary and Allowances	1,300,000	1,060,000
	<u>1,300,000</u>	<u>1,060,000</u>
5. Auditor's Remuneration		
Audit Fees	33,090	16,545
Other Services	-	-
	<u>33,090</u>	<u>16,545</u>



6. Lease payments in respect of agreements for office premises and workshop taken on operating lease and recognised in the Profit and Loss Account

3,035,811

3,224,748

7. Related Party Disclosures

(a) Other Related Parties with whom the company had transactions during the year

**(i) Associate Company** **Modex Commodity Trades Private Limited**

**(ii) Key Management Personnel** **Mr. Mahesh Gopal Goel, Director**  
**Mr. Dharmendra Kumar Arora, Director**

**(iii) Relatives of Key Managerial Personnel** **Sunita Goel, Wife of Director**  
**Neena Arora, Wife of Director**

**(c) Disclosure of transactions between the company and related parties and outstanding balances as at the year end:**

	Year ended 31st March, 2011		Year ended 31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
(i) Associate				
Brokerage on transaction of Shares & Securities		39,156		63,411
Receipt of Rent		839,800		-
Business Promotion		77,682		-
Electricity Expenses Recd.		210,025		-
Printing & Stationery		155,801		-
Balances as at the year end -				
Investments		1,500,000		3,500,000
Outstanding Receivables		4,872,910		-
(ii) Key Management Personnel				
Remuneration				
Mahesh Goel		650,000		530,000
D K Arora		650,000		530,000
(iii) Relatives of Directors				
Remuneration				
Sunita Goel		300,000		240,000
Neena Arora		300,000		240,000

8. Basic earnings per share has been calculated by dividing profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings per Share has been computed as under:

	Year ended 31st March, 2011	Year ended 31st March, 2010
Profit after Taxation (Rs.)	24,001,870	1,622,551
Weighted average number of Shares (Nos.)	3,000,000	3,000,000
Earnings per Share (Rs. per Equity Share of Rs. 10 each) – Basic	8.00	0.54

	Year ended 31st March, 2011		Year ended 31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
9. Deferred Taxation				
Deferred Tax Liability	202,033			
98,597				
Depreciation		98,597		202,033
		98,597		202,033

10. In respect of Derivative Market segment open interest contracts, which are not covered in capital market, are accounted for on the basis of Guidance note issued by ICAI  
Details of Equity Index Futures and Equity Stock Futures contracts having open interests as on balance sheet date:

Name of Future	Series of Future	Nature of Position	No. of contracts	No. of units involved	Daily Settlement price as of date
FUT-DLF	28-04-2011	SHORT	1	1000	265.4
FUT-IFCI	31-03-2011	LONG	3	12000	54.15
FUT-JPASSOCIAT	31-03-2011	LONG	7	14000	92.55
FUT-JPOWER	31-03-2011	LONG	61	244000	41.8
FUT-JPOWER	28-04-2011	LONG	1	4000	42.15
FUT-MCLEODRUSS	31-03-2011	SHORT	1	1000	247.8
FUT-MINIFTY	31-03-2011	LONG	1	20	5799.05
FUT-MINIFTY	28-04-2011	SHORT	3	60	5841
FUT-NAGARFERT	31-03-2011	LONG	13	104000	28.45
FUT-NEYVELILIG	31-03-2011	SHORT	1	2000	107.25
FUT-PUNJLLOYD	31-03-2011	LONG	38	76000	65.85
FUT-PUNJLLOYD	28-04-2011	LONG	4	8000	66.3
FUT-SCI	28-04-2011	LONG	2	4000	110.45
FUT-UNITECH	28-04-2011	LONG	1	4000	41.35
NEYVELILIG	31-03-2011	LONG	2	4000	2.2
NEYVELILIG	31-03-2011	SHORT	1	2000	0.55
OPT-NIFTY	31-03-2011	SHORT	2	100	296.65
OPT-NIFTY	31-03-2011	SHORT	2	100	1.35
OPT-NIFTY	31-03-2011	LONG	3	150	0.7
OPT-NIFTY	31-03-2011	LONG	4	200	5.35
OPT-NIFTY	28-04-2011	SHORT	8	400	833.05
OPT-NIFTY	28-04-2011	LONG	10	500	7.35
OPT-NIFTY	28-04-2011	LONG	10	500	57.55
OPT-NIFTY	28-04-2011	LONG	1	50	55.5

OPT-NIFTY	28-04-2011	LONG	12	600	13.35
OPT-NIFTY	28-04-2011	SHORT	1	50	454.15
OPT-NIFTY	26-05-2011	SHORT	2	100	426.9
OPT-NIFTY	26-05-2011	SHORT	2	100	78.4
OPT-NIFTY	26-05-2011	SHORT	2	100	352.65
OPT-NIFTY	26-05-2011	SHORT	2	100	97.1
OPT-NIFTY	26-05-2011	SHORT	2	100	273.45
OPT-NIFTY	26-05-2011	SHORT	2	100	125.25

11. In the opinion of Directors, current assets, loans and advances are shown as realisable, in the ordinary course of business. However, the shares and securities held as stock or investments are subject to market fluctuations.

12. The Company is trading in shares and securities. Such shares and securities are held at the end of the year have been shown accordingly in Balance Sheet as stock in trade. As per the Directors, the company is holding all such shares and securities on account of trading activities. Therefore these have been valued at cost by the directors. If the stock has been valued at lower of cost or market value, total value of stock would be Rs6,46,11,239.98(P.Y. Rs.1,79,70,635.85). Actual profit/loss will be taken into account at the time of actual sale of stock.

13. It is certified by the Directors that all the Investments and Stock held by the company are in their personal custody and are registered in the name of Company.

14. As the Company trades in shares & securities of various Companies of different types, it is not practicable to give their quantitative data.

15.

Income in Foreign Currency - Nil (P.Y. Nil)  
 Expenditure in Foreign Currency - Nil (P.Y. Nil)

16. Previous year figures have

been regrouped or restated where necessary.

Signatures to Schedules A to N

In terms of our report of even date

**For S. CHAND MITTAL & CO.  
 CHARTERED ACCOUNTANTS**

**For and on behalf of the Board**

**Suresh Chand Mittal  
 Arora)  
 (Partner)**

**(Mahesh Gopal Goel)  
 Director**

**(Dharmendra Kumar  
 Director**

**Place : New Delhi  
 Date : 12-08-2011**

**(Kundan Lal Grover)  
 Vice President**

**Balance Sheet Abstract and Company's General Business Profile**

**Registration Details**

<b>Registration No.</b>	:	<b>65153</b>			<b>State Code:</b>	<b>055</b>
<b>Balance Sheet Date</b>	:	<b>31</b>	<b>3</b>	<b>2011</b>		
		<b>Date</b>	<b>Month</b>	<b>Year</b>		

**Capital raised during the year (Rs. in Thousands)**

Public Issue Nil	Rights Issue Nil
Bonus Issue Nil	Private Placement/ Contribution Nil
Call Unpaid/Received Nil	Share Application Money Nil

**Position of Mobilization and Deployment of Funds (Rs. in Thousands)**

Total Liabilities 119871	Total Assets 119871
-----------------------------	------------------------

**Source of Funds**

Paid-up Capital 30000	Share Application Money NIL
Reserve and Surplus 78027	Secured Loans 11744
Unsecured Loans Nil	Deferred Tax Liability 99

**Application of Funds**

Net Fixed Assets 9279	Investments 22910
Deferred Tax Assets Nil	Net Current Assets 87681
Misc. Expenditure Nil	Profit & Loss Debit Balance Nil

**Performance of Company. (Rs. in Thousands)**

Turnover and Income 114687	Total Expenditure 90589
+ Profit/Loss Before Tax 24097	+ Profit/Loss After Tax 24002
+ (Please tick appropriate box, + Profit, - for Loss)	

Earning Per Share in (Rs.)  
8.00

Dividend Rate %  
Nil

**Generic Names of Three Principal Products/Services of Company (As Per Monetary Terms)**

Product Description	Brokerage on Sale/Purchase of Shares Sale/Purchase of Shares
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**For and on behalf of the Board**

**Director                      Director**  
**New Delhi, 12<sup>th</sup> August, 2011**

**MODEX INTERNATIONAL SECURITIES LIMITED**

**REGD. OFFICE: 507 PADMA TOWER – II, 22 RAJENDRA PLACE, NEW DELHI – 110008**

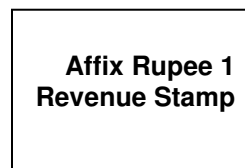
**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member / members of MODEX INTERNATIONAL SECURITIES LIMITED, hereby appoint \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him or her \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my / our proxy to attend and vote for me/us on my/our behalf at the 17<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 27<sup>th</sup> September, 2011 at 10.00 A.M. at Bhati Farms, Village Bhati, Mehrauli, Delhi-110030 and of any adjournment thereof.

In witness whereof, I/We have set my/our hand/hands this..... day of ..... 2011

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Folio No. / Client ID .....  
 DP ID .....  
 Number of shares held .....



Note: This form duly completed and signed as per specimen signatures registered with the company should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the commencement of the meeting.

**MODEX INTERNATIONAL SECURITIES LIMITED**

**REGD. OFFICE: 507 PADMA TOWER – II, 22 RAJENDRA PLACE, NEW DELHI – 110008**

**ATTENDANCE SLIP**

I/We hereby record my presence at the 17<sup>th</sup> Annual General Meeting held on Tuesday, 27<sup>th</sup> September, 2011 at 10.00 A.M. at Bhati Farms, Village Bhati, Mehrauli, Delhi-110030.

Name of the Shareholders or Proxy (In Block Letters) \_\_\_\_\_

No. of Shares Held \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_

DP ID & Client ID \_\_\_\_\_

\_\_\_\_\_  
 Signature of the Shareholder/Proxy

Note: PLEASE COMPLETE THIS ATTENDENCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.