



**modipon
limited**

45TH ANNUAL REPORT 2011-12

BOARD OF DIRECTORS

Dr. M. K. ModiChairman & Managing Director

Mr. Manish K. Modi

Mr. Manoj Singh, IAS

Mr. O. P. Makkar

COMPANY SECRETARY

Mr. A. K. Goel

BANKERS

Punjab National Bank

Bank of Baroda

AUDITORS

Messrs P. R. Mehra & Co.,

Chartered Accountants

56, Darya Ganj,

New Delhi-110 002

REGISTERED OFFICE

Hapur Road,

Modinagar - 201 204

District : Ghaziabad (U. P.)

REGISTRAR AND TRANSFER AGENT

MAS Services Limited

T-34, 2nd Floor,

Okhla Industrial Area, Phase-II,

New Delhi - 110 020

CONTENTS

Notice	1
Directors' Report	2
Corporate Governance Report	4
Management Discussion and Analysis Report	7
Auditors' Report	8
Balance Sheet	12
Profit & Loss Account	12
Cash Flow Statement	13
Notes 1 to 18	14

NOTICE

Notice is hereby given that the 45th Annual General Meeting of Modipon Limited, Modinagar will be held on Thursday, the 27th September, 2012 at 1.00 P.M. at Alok Park Club, Alok Park, Modinagar-201 204 (U. P.) to transact the following Business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, the Profit & Loss Account for the financial year ended on that date together with the Reports of the Auditors and the Directors thereon.

- To appoint Auditors and to fix their Remuneration and in that connection to consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED that Messrs P. R. Mehra & Co., Chartered Accountants, New Delhi, the retiring Auditors, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a Fee of ₹ 2,00,000/- (Rupees Two Lacs only) plus applicable Service Tax etc. and such other Remuneration as may be mutually agreed between the Managing Director of the Company and the said Firm for any work that may be done by them in any capacity other than as Statutory Auditors of the Company".

SPECIAL BUSINESS

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

"RESOLVED that Dr. Mahendra K. Modi, who retires from office as a Director of the Company on the 18th August, 2013 and, who being eligible for re-appointment, offers himself for such re-appointment, be and is hereby appointed as a Director of the Company for a period of three years commencing from 19th August, 2013, in terms of Article 105 of the Articles of Association of the Company".

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

"RESOLVED that pursuant to the provision of section 269, 316 and 317 read with schedule XIII and other applicable provision, if any, of the Companies Act 1956, approval of the share holders of the company be and is hereby accorded to the reappointment of Dr. Mahendra K. Modi as Managing Director of the company for a period of 5 years with effect from 12th February, 2012 without any remuneration.

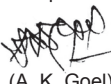
- To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. Manish K. Modi, who retires from office as a Director of the Company on the 18th August, 2013 and, who being eligible for re-appointment, offers himself for such re-appointment, be and is hereby appointed as a Director of the Company for a period of three years commencing from 19th August, 2013, in terms of Article 105 of the Articles of Association of the Company".

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

"RESOLVED that, due notice for appointment of Mr. Manoj Singh, in accordance with Section 257 of the Companies Act, 1956 having been received from certain Shareholders and of which notice has already been given to the Members of the Company, Mr. Manoj Singh be and is hereby appointed as a Director of the Company for a period of three years commencing from 25th September, 2013, in terms of Article 105 of the Articles of Association of the Company".

By Order of the Board,
For Modipon Limited



(A. K. Goel)
Company Secretary

Place : New Delhi
Dated: 16th August, 2012

Notes:

- A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and on a poll, to vote instead of himself. The Proxy need not be a Member of the Company. The Proxy Form duly completed and signed should reach the Company's Registered Office at Modinagar, not later than 48 hours before the time fixed for the Meeting.
- Explanatory Statement in respect of Item Nos. 3 to 6 of the Notice as required under Section 173(2) of the Companies Act, 1956 are annexed hereto.
- All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during Office hours on all working days except Saturday between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting.
- Members holding Shares in Physical Form are requested to notify change of address, under their signatures to Messrs MAS Services Limited, T-34, 2nd Floor, Okhala Indl. Area, Ph-II, New Delhi-110 020, the Registrar and Transfer Agent (RTA) of the Company, quoting Folio Nos. Members holding Shares in Demat Form may update such details with their respective Depository Participants (DPs). All correspondence regarding Demat/Transfer/Consolidation/ Split-up of Shares etc. should be addressed to them for expeditious disposal.
- Pursuant to the directions of the Securities and Exchange Board of India (SEBI), the Trading in the Equity Shares of your Company has been in compulsory dematerialised form since 29.1.2001. Members, who have not yet got their Shares dematerialised, are requested to opt for the same in their own interest and send the Share Certificates through the DPs with whom they have opened their Demat Account.
- The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2012 to 27th September, 2012 (both days inclusive).

**EXPLANATORY STATEMENT AS REQUIRED UNDER
SECTION 173(2) OF THE COMPANIES ACT, 1956**

Item Nos. 3 to 6

Article 105 of the Articles of Association of the Company provides for the appointment of Directors once in every three years as set out in Article 106 thereof. Dr. Mahendra K. Modi and Mr. Manish K. Modi were appointed as Directors for a period of three years from 19th August, 2010 and they are due to retire from the directorship on 18th August, 2013.

Under Article 121 of the Articles of Association of the Company, the retiring Directors are eligible for re-election and as such they have offered themselves for re-appointment.

The term of office of Dr. Mahendra K. Modi, Managing Director of the Company expired on 11th February, 2012. Considering the efforts made by him to settle the huge liabilities of the company, the Board has, subject to your approval, reappointed him as Managing Director of the Company for a further period of 5 years with effect from 12th February, 2012 without any remuneration.

Dr. Mahendra K. Modi, who is proposed to be re-appointed as Managing Director of the Company, is also Managing Director of Modi Industries Limited and draws remuneration from that company. Hence, no remuneration is proposed to be paid to him.

Notice in writing has been received from certain Shareholders as required under Section 257 of the Companies Act, 1956 proposing the appointment of Mr. Manoj Singh as a director of the Company for a period of three years with effect from 25th September, 2013 in accordance with the provisions of Article 105 of the Articles of Association of the Company. A deposit of ₹ 500/- in accordance with the requirement of Section 257 of the Companies Act, 1956 has also been received.

Dr. Mahendra K. Modi, Mr. Manish K. Modi and Mr. Manoj Singh are interested to the extent of their respective appointment and the remuneration, if any, payable to them as Directors. Mr. Manish K. Modi is the son of Dr. Mahendra K. Modi as such he is deemed to be interested in the reappointment of Dr. Mahendra K. Modi as Managing Director of the company as proposed in resolution no.4.

Pursuant to the requirement of section 302 of the Companies Act, 1956. Copies of the extract of terms and conditions of reappointment of Managing Director were posted to members of the Company.

BRIEF RESUME, EXPERIENCE AND OTHER DIRECTORSHIPS / BOARD COMMITTEE / OTHER MEMBERSHIPS

Information on Directors retiring by rotation seeking reappointment at this Annual General meeting:

Dr. Mahendra K. Modi

Dr. Mahendra K. Modi is B.Sc. (Chemical Engineer), A.I.C.E. from Banaras Hindu University, securing First Division and First Position. He was conferred Doctor of Science Honors Causa by Ch. Charan Singh University, Meerut in 1996. He has been closely associated with the Operations and Management of the company as a Senior Executive and Alternate Director since 1967 and as a Managing Director of the company with effect from 12th February, 1976. He is a Director on the Board of the following companies:

S.No.	Other Directorship	Position	Committee Membership
1	Modi Industries Limited	Managing Director	Share Transfer Committee
2.	Moving Minds Investments Limited	Director	-
3.	NetAcross UK Limited, UK	Director	-
4.	NetAcross Inc., USA	Director	-

He is holding 1,18,906 equity shares in the company.

Mr. Manish K. Modi

Mr. Manish K. Modi has a Bachelor's Degree in Computer Science from Bangalore University. He is also MBA in Marketing from Columbia University. Dataquest Magazine (India) named him as one of the year's 15 "Magical People" in 1997 and in 1998 he was included amongst Asia's top 50 young IT Entrepreneurs by the institute for the future. He spent two years at Modipon Fibres Company, the fibre division of the company transforming the information technology infrastructure of the Fibres Division of the company. He founded NetAcross in 1996 in New Delhi with a vision to create an innovative, learning organization and its growth has featured in several international publications including Red Herring, Forbes, Newsweek and Asiaweek. He founded Exevo Inc., USA and Exevo India Limited in the year 2002. Exevo is a new breed of outstanding company and has been growing leaps and bounces since it was founded. He was the CEO of Exevo Inc., USA. He is the member of various professional bodies including YPO, IACC, CII etc. He is holding the Directorship in the following public Limited companies:

S.No.	Other Directorship	Position	Committee Membership
1	Modi Industries Limited	Director	-
2.	Exevo India Limited	Director	-
3.	Exevo Inc., USA	Director	-
4.	NetAcross Inc., USA	Director	-
5.	Exevo UK Limited, UK	Director	-
6	Weld Excel India Limited	Director	-

He is holding 19,392 equity shares in the company.

Mr. Manoj Singh

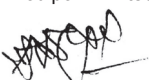
Mr. Manoj Singh is a Senior IAS officer and is presently Managing Director of U.P. State Industrial Development Corporation Ltd., Kanpur.

Mr. Manoj Singh is the Chairman of Audit Committee and Remuneration Committee of the Board of Directors of the Company.

Mr. Manoj Singh is not related to any Director of the Company and does not hold any equity shares in the Company. He is holding the Directorship in the following public Limited companies:

S.No.	Other Directorship	Position	Committee Membership
1	U.P. State Industrial Dev. Corp. Ltd.	Managing Director	Audit Committee
2.	UPSIDC Power Company Limited	Chairman	-
3.	Indofil Industries Limited	Director	-

By Order of the Board,
For Modipon Limited



(A. K. Goel)
Company Secretary

New Delhi
Dated: 16th August, 2012

DIRECTORS' REPORT

To the Shareholders,

Your Directors have pleasure in presenting the 45th Annual Report with Audited Statement of Accounts for the financial year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS

	2011-12 ₹ Lacs	2010-11 ₹ Lacs
Turnover	-	-
Other Income	31.45	49.65
Gross Profit (Loss)	(259.85)	(300.45)
Depreciation	0.14	0.28
Profit/(Loss) after Depreciation	(259.99)	(300.73)
Add/(Less) Exceptional Income/(Losses)	474.44	389.44
Profit/(Loss) before Tax	214.45	88.71
Less/(Add) :	-	-
Provision for Taxation- Fringe Benefit Tax	-	-
Extra Ordinary item	-	(4899.00)
Net Profit/(Loss) after Tax	214.45	(4810.29)

SCHEME OF ARRANGEMENT

As reported earlier, the Company had, post re-structuring through Slump sales of Chemicals business alongwith certain specified assets, filed a Scheme of Arrangement U/s 391/393/394 of the Companies Act, 1956 before Hon'ble Allahabad High Court seeking its approval to the accounting treatment to the direct allotment of shares of IOIL by IOIL to the shareholders of the Company in part discharge of the purchase Consideration. Hon'ble High Court has, vide its order dated 8th September, 2010 approved the said Scheme of Arrangement.

CLOSURE OF MANUFACTURING OPERATIONS

As reported earlier, the industrial undertaking of the Company has been permanently closed down after seeking requisite permission from Government of Uttar Pradesh under the provisions of the Uttar Pradesh Industrial Disputes Act, 1947. The Company is now exploring other possibilities so as to have optimal utilization of its real estate and other business activity.

SETTLEMENT WITH BANKS

In its endeavour to arrive at an amicable One Time Settlement of the outstanding dues of the banks, the Company has finalized settlement with Abu Dhabi Commercial Bank, Allahabad Bank and Karnataka Bank. Since the Company did not have resources to make the payment of settled OTS, the payment was done through another group company – Ashoka Mercantile Ltd. (AML) on assignment basis and accordingly, instead of the concerned banks, AML is now the secured creditor of the Company. The Company is desirous of liquidating the balance NPA dues of other banks under OTS on the lines of the settlement with Allahabad Bank. The banks had initiated recovery proceedings under SARFESAI Act, 2002 and have sold the Plant & Machinery, Stores & Spares and Structures of the Company which are in the process of being dismantled and removed. This has enabled the Company to reduce its NPA dues by ₹ 33.61 crores.

DIVIDEND

In view of the Losses suffered by the Company, your Directors are unable to recommend any Dividend on Equity and Preference Share Capital.

OPERATIONS

During the year under review, the Company registered total revenue of ₹ 31.45 lacs from sale of old stocks etc. and has incurred a Profit after tax of ₹ 214.45 lacs.

EXPORTS

On account of closure of the manufacturing operations of the Company, there has not been any export during the year. The FOB value of exports during the previous financial year was nil.

FIXED DEPOSITS

The Company had stopped accepting deposits from public. During the year under review, no deposit was claimed for payment. At the end of the financial year, the balance on account of Fixed Deposits accepted from the Public and Members stood at ₹ 25.72 lacs which remained unclaimed/unpaid. There was no deposit liable to be transferred to the credit of Investors' Education and Protection Fund.

Presently the Company is neither accepting fresh deposits nor renewing the existing ones.

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

In view of the permanent closure of the Manufacturing Operations, provisions relating to furnishing of the details of (i) Conservation of Energy, (ii) Research & Development and Technology Absorption and (iii) Foreign Exchange Earning and Outgo in accordance with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

DIRECTORS

Mr. Manoj Singh has been appointed as a Nominee Director of UPSIDC Limited w.e.f. 16.08.2012 against the causal vacancy caused due to withdrawal of the nomination of Mr. Mohammad Iftikharuddin who was appointed w.e.f. 07.05.2012 in place of Mr. Devi Shanker Sharma, who was appointed w.e.f. 07.11.2011 in place of Mr. S.K. Verma.

PERSONNEL

Subsequent to the closure of the Manufacturing Operations of the Company, all issues of ex-workmen/employees have been amicably resolved. The total dues of these workmen/employees (other than 11 workmen who have not yet tendered resignations) have been paid. These ex-workmen/employees had approached DRT-II, New Delhi seeking order for payment of dues in excess of the legal dues as paid to the other workmen/employees. Hon'ble DRT had directed them to approach the Labour Commissioner for adjudication of their dues. None has approached the Labour Commissioner as directed by DRT. However, as directed by DRT, the Company has deposited the amount payable to them with DRT.

There was no employee, employed for full or part of the year, whose particulars are to be given in terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

AUDITORS AND AUDIT REPORT

Messrs P. R. Mehra & Co., Chartered Accountants, New Delhi, the retiring Auditors, being eligible, offer themselves for reappointment.

With reference to the qualifications contained in the Auditors' Report, the Directors wish to state that the Notes on

Accounts and Significant Accounting Policies referred to by the Auditors in their Report are self-explanatory and hence do not call for any further comment.

COST AUDIT

The Central Government had approved the appointments of Messrs N. Dewan & Co., Cost Accountants, New Delhi to conduct the Cost Audit in respect of Nylon & Polyester Filament Yarns for the year ended 31st March, 2007. However, in view of permanent closure of operations, the Company had applied for exemption from the requirement of Cost Audit. Accordingly, their re-appointment is not envisaged.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors of your Company declare as under:

- (i) that in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures;
- (ii) that the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial year and of the Profit of the Company for that period;
- (iii) that the Directors had 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 Assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that in view of the permanent closure of the Manufacturing Operations of the Company, the Directors had not prepared the Annual Accounts on a going concern basis.

SUBSIDIARY COMPANIES

The Company does not have any Subsidiary Company.

CORPORATE GOVERNANCE

The Report on Corporate Governance together with the Statutory Auditors' Certificate thereon are annexed hereto and forms part of this Report. The Management Discussion and Analysis Report is annexed hereto and forms part of this Report.

STATUTORY DISCLOSURES

None of the Directors are disqualified under the provisions of Section 274(1)(g) of the Companies Act, 1956. The Directors have made the requisite disclosures, as required under the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

APPRECIATION

Your Directors would like to express their sincere appreciation to the various Departments of the Central and State Governments, UPSIDC's nominee directors and Investors for their continued valuable support and assistance. Your Directors also wish to thank all the Officers and Staff of the Company at all levels for their contribution, support and continued co-operation throughout the year.

For and on behalf of the Board,



New Delhi
16th August, 2012

(M. K. Modi)
Chairman & Managing Director

CORPORATE GOVERNANCE REPORT

A. COMPANY'S PHILOSOPHY

Your Company firmly believes in and continues to practice good Corporate Governance. The Company continuously endeavors to improve transparency, professionalism and accountability on an ongoing basis.

B. BOARD OF DIRECTORS

Modipon's Board as on 31st March, 2012 comprises of Four Directors, out of which one is Chairman and Managing Director and three Non-Executive Directors. The Company has a Whole-time Chairman and therefore one half of the Board should comprise of Independent Directors. Directors are appointed/ re-appointed with the approval of the Shareholders for a period of three years at a time and are eligible for reappointment in terms of Article 105 of the Articles of Association of the Company. Out of three Non-Executive Directors, one Director is Managing Director of UPSIDC Limited and one Director is a Chartered Accountant and do not have any material pecuniary relationship with the company. Keeping in view the criteria of Independent Director, i.e. material pecuniary relationships with the Promoters etc. and looking to the independent position held by the Managing Director of UPSIDC Limited and the Chartered Accountant, the Board considered them as Independent Directors as they satisfied the requirements of being independent in terms of amended Clause 49 of the Listing Agreement. Accordingly, the Composition of the Board is 75% of Non-Executive Directors to total number of Directors and 50% of Independent Directors to total number of Directors and therefore confirms to the requirement of Clause 49 of the Listing Agreement.

The Composition of the Board as on 31st March, 2012, Category of Directorship, No. of other Directorships, Memberships/Chairmanships of the Committees in other Companies and Shares held in the Company are as under:

Name of the Directors	Category of Directorship	No. of Other Directorship*	No. of Other Committee(s)**		No. of Shares held in the Company
			Member-ship	Chairman-ship	
Dr. M. K. Modi	Chairman & M.D.-Promoter	4	2	-	1,18,906
Mr. Devi Shanker Sharma	NED-Independent	4	-	-	-
Mr. Manish K. Modi	NED-Promoter	6	-	-	19,392
Mr. O. P. Makkar	NED-Independent	-	-	-	-

MD - Managing Director

NED - Non-Executive Director

* Excludes Directorship held in Private Limited Companies and Membership of various Chambers/ Bodies etc.

** Represents Audit Committee, Investors' Grievance Committee and Remuneration Committee.

MEETINGS AND ATTENDANCE

During the year ended 31st March, 2012 four Board Meetings were held on 07.05.2011, 11.08.2011, 07.11.2011 and 14.02.2012. The last Annual General Meeting was held on 30.09.2011. Dr. M. K. Modi presided over the Annual General Meeting. The Attendance of the Directors was as under:

Name of the Directors	No. of Board Meetings Attended	Attendance at last AGM
Dr. M. K. Modi	4	Yes
Mr. Manish K. Modi	4	Yes
Mr. O. P. Makkar	4	Yes
Mr. S. K. Verma	1	No
Mr. Devi Shanker Sharma	-	No

C. AUDIT COMMITTEE

Pursuant to revised Clause 49 of the Listing Agreement, the Audit Committee of the Board of Directors was reconstituted and now comprised of 2 Non-Executive Independent Directors, namely, (1) Mr. Devi Shanker Sharma, as Chairman; (2) Mr. O. P. Makkar, as Member (3) Mr. Manish K. Modi, as Member and Mr. A. K. Goel as Secretary of the Committee. The quorum of the Audit Committee is two Members or one-third of the strength of the Audit Committee, whichever is higher.

Besides the Committee Members, Chairman & Managing Director, Group Head-Corp. Affairs, and Partner/other Representatives of the Firms of Statutory Auditors also attend the Meetings on the invitation of the Chairman.

The scope of the Audit Committee includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the Management, the annual financial statements before submission to the Board for approval, with primary focus on the Matters required to be included in the Directors' Responsibility Statement; Changes, if any, in accounting policies and practices and reasons thereof; Major accounting entries; Significant adjustments; Compliance with listing and other legal requirements relating to financial statements; Disclosure of any related party transactions; Qualifications in the draft audit report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the Official heading the Department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors, any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations, by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the year ended 31st March, 2012 four Meetings were held on 07.05.2011, 11.08.2011, 07.11.2011 and 14.02.2012 for review of Quarterly Results/Annual Accounts and other Business and Attendance at its Meetings was as under:

Name of the Committee Member	No. and Date of Meetings Attended
Mr. S. K. Verma	1 on 07.05.2011
Mr. Devi Shanker Sharma	-
Mr. O. P. Makkar	4 on 07.05.2011, 11.08.2011, 07.11.2011 & 14.02.2012
Mr. Manish K. Modi	3 on 11.08.2011, 07.11.2011 & 14.02.2012

D. REMUNERATION COMMITTEE

The Remuneration Committee as reconstituted comprises of Mr. Devi Shanker Sharma as Chairman, Mr. O. P. Makkar and Mr. Manish K. Modi as Members and Mr. A. K. Goel as Secretary of the Committee. The Non-Executive Directors are not paid any Commission or other Remuneration except Sitting Fees of ₹ 5,000/- for each Meeting of the Board or Committee of the Board attended by them. Details of remuneration paid to the Directors of the Company during the year ended on 31st March, 2012 was as under:

(₹ in Lakhs)				
Directors	Salary	Commission	Perquisites and Retirement Benefits	Sitting Fees
Dr. M. K. Modi	-	-	-	-
Mr. Manish K. Modi	-	-	-	0.35
Mr. O. P. Makkar	-	-	-	0.40

In addition to the above ₹ 0.10 lakh was paid to UPSIDC Limited towards the Sitting Fees in respect of Meetings attended by their Nominee Directors.

E. SHAREHOLDERS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee as reconstituted comprises of Dr. M. K. Modi and Mr. O. P. Makkar as Members and Mr. A. K. Goel as Secretary of the Committee. All Shareholders' Complaints received through SEBI/Stock Exchange and other Authorities have been resolved to the satisfaction of the Shareholders and none remained outstanding at the end of the year ended 31.03.2012 under report. Mr. A. K. Goel, Secretary of the Company is the Compliance Officer under Clause 49 of the Listing Agreement. The status of the Shareholders' Complaints are reported to the Board Members at every Board Meeting by the Compliance Officer.

F. GENERAL BODY MEETINGS

Location, Date and Time of the last 3 Annual General Meetings were as under:

Year ended	Type	Location	Date	Time	No. of Special Resolution passed
31.03.2011	AGM	Alok Park Club Alok Park, Modinagar	30.09.2011	1.00 P.M.	-
31.03.2010	AGM	Alok Park Club Alok Park, Modinagar	25.09.2010	1.00 P.M.	-
31.03.2009 (18 months)	AGM	Alok Park Club Alok Park, Modinagar	19.06.2009	12.30 P.M.	-

G. DISCLOSURES

(a) Directors' Interest in the Company:

Directors make full disclosures to the Board of Directors regarding the nature of their interest in the Companies in which they are Directors or Members. The Company's contracts with the Companies in which some of the Directors of the Company are interested as Director or Member are in the ordinary course of the Company's business without giving any specific weightage to them and full particulars of such contracts entered into with the Companies are entered in the Register of Contracts maintained under Section 301 of the Companies Act, 1956 and the same are placed in every Board Meeting for the noting by the Directors.

In terms of Accounting Standard 18, the details of Related Party Transactions during the year have been set out at Note 16 of Schedule 18 annexed to the Balance Sheet and Profit & Loss Account. However, these are not having any potential conflict with the interest of the Company at large.

(b) Statutory Compliance:

There have been neither any instances of non-compliance by the Company nor any penalties or strictures imposed on the Company by the Stock Exchange, SEBI or any other Statutory Authorities on any matter related to capital markets during the last three years.

The Company is in compliance with all the mandatory requirements of revised clause 49 of the Listing Agreement.

(C) Non-mandatory requirements:

1. Chairman of the Board

The Company has a Chairman and Managing Director.

2. Remuneration Committee

The Company has constituted a Remuneration Committee, the details of which are provided in this Report.

3. Shareholders' Rights

Half-yearly Financial Results including summary of the significant events are presently not being sent to Shareholders of the Company.

4. Audit Qualifications

Efforts are being made towards a regime of unqualified Financial Statements.

5. Training of Board Members

Considering the nature and risk profile of the Business of the Company vis-à-vis professional standing/business experience of the Board Members, they are eminently competent to discharge their duties.

6. Mechanism for evaluation of Non-Executive Board Members

There is no policy framed for evaluation of Non-Executive Directors.

7. Whistle Blower Policy

The question of instituting a formal policy in this respect may be considered after considering all relevant aspects, including the General Corporate Practice in India and also elsewhere. However, no personnel has been denied access to the Audit Committee.

H. MEANS OF COMMUNICATION

- (a) The Unaudited Quarterly/Half Yearly Financial Results of the Company are placed before the Audit Committee/ Board of Directors before the end of 45 days from the close of the quarter. The Quarterly/Half Yearly Financial Results are generally published in the Newspapers, namely, Financial Express and Amrit Varsha.

- (b) Company's Results and Official News release are being uploaded on the Company's website - **www.modipon.net**.

I. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting

Date and Time : 27.09.2012 at 01.00 P.M.
 Venue : Alok Park Club, Alok Park,
 Modinagar-201 204

2. Financial Year

The Company follows April-March Financial Year. The Results for every Quarter beginning from April are generally declared within 45 days of the close of the Quarter as required under the Listing Agreement.

3. Book Closure

21st September, 2012 to 27th September, 2012 (both days inclusive).

4. Unpaid/Unclaimed Dividend

Pursuant to Section 205A of the Companies Act, 1956, Unclaimed Dividend for the Accounting years upto 31st December, 1993 have been transferred to the General Revenue Account of the Central Government with the Registrar of Companies, U. P., Kanpur and the Unclaimed Dividend for the Financial year ended 31st March, 1995 have been transferred to the Investors' Education and Protection Fund of the Central Government established under Section 205C (1) of the Companies Act, 1956 in February, 2003.

5. Listing of Equity Shares on Stock Exchanges and Payment of Listing Fees

Modipon's Shares are listed on the Bombay Stock Exchange Limited, Mumbai. The Company has paid the Listing Fees to the Bombay Stock Exchange Limited for the year 2012-13.

Stock Code (BSE) : 503776

Demat ISIN No. in NSDL & CDSL : INE170C01019

6. Stock Price Data

Month	The Bombay Stock Exchange Limited	
	High ₹ Per Share	Low ₹ Per Share
April, 2011	19.00	15.85
May, 2011	15.70	14.00
June, 2011	17.25	12.70
July, 2011	17.73	14.02
August, 2011	17.15	14.30
September, 2011	15.65	12.75
October, 2011	15.05	11.05
November, 2011	10.60	8.93
December, 2011	10.30	8.55
January, 2012	10.65	9.70
February, 2012	10.50	8.85
March, 2012	10.56	7.42

The quantity of shares transacted at the Stock Exchange after deleting the transfers inter se amongst the Promoters/Shareholders is negligible.

7. Share Transfer System

As per the directions of SEBI, all Share Registry Work in respect of both Physical and Demat segments is being handled by a single Common Agency, i.e. Messrs MAS Services Limited, T-34, 2nd Floor, Okhla Indl. Area, Ph-II, New Delhi - 110 020, as the Registrar and Share Transfer Agent (RTA), for all aspects of Investors' servicing relating to Shares.

All transfers, transmissions etc. were processed and registered within the stipulated time. As on 31st March, 2012 no Shares were pending for transfer for more than 15 days. Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchange, Certificates on half-yearly basis have been received from a Company Secretary-in-Practice for due compliance of Share transfer formalities by the Company. Certificates have also been received from a Company Secretary-in-Practice for timely dematerialisation of the Shares of the Company and conducting a Secretarial Audit on a quarterly basis in respect of reconciliation of the Equity Share Capital of the Company.

8. Distribution of Shareholding

Pattern of Shareholding by Equity Shares Class as on 31st March, 2012:

No. of Equity Shares held	No. of Share-holders	Percentage of Share-holders	No. of Equity Shares held	Percentage of Share-holding
1 - 500	7,789	97.79	5,17,609	6.60
501 - 1000	88	1.10	68,701	0.88
1001 - 2000	32	0.40	47,014	0.60
2001 - 3000	6	0.08	15,992	0.20
3001 - 4000	5	0.06	17,687	0.23
4001 - 5000	6	0.08	27,284	0.35
5001 - 10000	9	0.11	54,783	0.70
10001 and above	30	0.38	70,88,987	90.44
Total	7,965	100.00	78,38,057	100.00

Pattern of Shareholding by Ownership as on 31st March, 2012:

Category	No. of Share-holders	Total No. of Shares	No. of shares held in demat Form	% of Share-holding
A. Shareholding of Promoters and Promoters Group				
Individuals/Hindu Undivided Family	09	2,66,744	65,614	3.40
Bodies Corporate	07	51,49,090	44,48,940	65.69
Sub Total (A)	16	54,15,834	45,14,554	69.10
B. Public Shareholding				
1. Institutional				
Mutual Funds/ UTI	03	7,100	-	0.09
Financial Institutions/ Banks	05	475	100	0.01
Insurance Companies	02	1,96,686	1,96,636	2.51
Foreign Institutional investors	02	11,15,304	11,15,304	14.23
Sub Total (B) (1)	12	13,19,565	13,12,040	16.84
2. Non Institutional				
Bodies Corporate	110	1,95,388	1,71,193	2.49
Individuals holding nominal share Capital upto Rs. one lakhs	7,794	6,82,001	3,60,488	8.70
Individuals holding nominal shares capital in excess of Rs. One lakhs	10	2,15,217	1,20,918	2.75
NRIs/OCB	18	8,640	8,090	0.11
Clearing Members	05	1,412	1,412	0.02
Sub Total (B) (2)	7,937	11,02,658	6,62,101	14.07
Total Public Shareholding (B)=(B)(1)+(B)(2)	7,949	24,22,223	19,74,141	30.90
Total A + B	7,965	78,38,057	64,88,695	100.00

9. Dematerialisation of Shares

There were 3,237 Shareholders holding 64,88,695 shares in dematerialised form, which constitutes 82.78% of the Paid up Equity Share Capital of the Company as on 31st March, 2012. As the Trading in the Shares of the Company is permitted only in dematerialised form, it is advisable that the Shareholders who have shares in physical form get their shares dematerialised.

10. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, their Conversion Dates and likely Impact on Equity

No GDRs/ADRs were issued by the Company and hence not outstanding.

11. Code of Conduct

The Company has framed the Code of Conduct for Members of the Board and Senior Management of the Company which is intended to focus the areas of ethical risk, provide guidance and mechanisms to report unethical conduct and help foster a culture of honesty and accountability. The Code of Conduct is available on the Company's Website.

The Company has also framed the Code of Conduct for Prevention of Insider Trading in the Securities of the Company by its Directors and designated Employees pursuant to SEBI (Insider Trading) Regulations, 1992. The Code, inter-alia, prohibits Purchase/ Sale of Shares of the Company by the Directors and designated Employees while in possession of unpublished price sensitive information in relation to the Company. Trading Window was closed four times during the year under report.

12. CEO/CFO Certification

Certificate in compliance with Clause 49(V) of the Listing Agreement signed by Dr. M. K. Modi, Chairman & Managing Director and Group Head-Corp. Affairs in respect of Modipon Limited was placed before the Board of Directors at its Meeting held on 16th August, 2012.

13. Plant Locations

Hapur Road, Modinagar- 201 204 (U. P.)
(Manufacturing operations closed permanently)

14. Address for Correspondence

To contact RTA for all matters relating:	MAS Services Limited T-34, Okhla Indl. Area, Ph-II, Demat, Remat, New Delhi - 110 020	Tel. 011-26387281-83 Fax 011-26387384
to Equity Shares, i.e. Consolidation, Transmission, Issue of Duplicate Share Certificates, Change of Address, etc.		E-mail: info@masserv.com
For Fixed Deposits : and any other matters or in case of any query on Annual Report	Group Head- Corp. Affairs, Modipon Limited, Modinagar - 201 204	Tel. 01232-242610 Fax 01232-242610

MANAGEMENT DISCUSSION & ANALYSIS REPORT

On account of continuous losses incurred in the past, the Company had faced acute financial shortage and had to operate with negative working capital which had deteriorated the performance of the Company to a level beyond rectification. The Company had been finding it difficult to service the interest liability of the Banks and was forced to suspend the manufacturing operations w.e.f. 19th May, 2007.

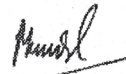
The outlook was not bright with the ever increasing input costs, having no reflection in sales realisation. Therefore, it was thought expedient to permanently close down the

manufacturing operations of the Company. Accordingly, after seeking approval from the Govt. of Uttar Pradesh under U.P. Industrial Disputes Act, 1947 the manufacturing operations of the company have been permanently closed w.e.f. 8th September, 2007.

Declaration as required under Clause 49 of the Listing Agreement

All Directors and Senior Management of the Company have affirmed compliance with the Modipon Code of Conduct for the year ended 31st March, 2012.

For and on behalf of the Board,



(M. K. Modi)

New Delhi
16th August, 2012

Chairman & Managing Director

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE IN INDIA AUDITORS' CERTIFICATE

TO THE MEMBERS OF
MODIPON LIMITED,
MODINAGAR.

We have examined the compliance of conditions of corporate governance by Modipon Limited for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the 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, the company has complied with the conditions of Corporate Governance for the year ended 31st March, 2012 as stipulated in the above mentioned Listing Agreement *except of the following conditions of Corporate Governance: As per clause 1(A)(iv), read with explanation to clause 49 of the listing agreement, nominee directors appointed by an institution are deemed to be independent directors provided the concerned institution is included in the list specified under section 4A of the Companies Act, 1956. UPSIDC Limited, one of the promoters of the company, is not a notified Financial Institution under this section. In view of this, the number of independent directors in the composition of board of directors and audit committee of the company is less than the stipulated members as per clause 49 of Corporate Governance. The chairman of the audit committee of the company should be an independent director whereas the nominee of the UPSIDC was the chairman of the audit committee of the company in the meeting held on 07.05.2011. Further, the number of members of the audit committee were 2 as against the requirement of not less than 3 members in its meeting held on 11.08.2011.*

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For P. R. MEHRA & CO.,
Chartered Accountants
(Regn. No. 000051N)
Jai Prakash Agarwal

Partner

M. No. 010270

Place: New Delhi
Date: 16th August, 2012

AUDITORS' REPORT
TO THE MEMBERS OF
MODIPON LIMITED

- (1) We have audited the attached Balance Sheet of Modipon Limited as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We 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 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 (Auditors' Report) Order, 2003 issued by Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
- (4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (ii) 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 from whom written representations were received 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.
- (5) *The above financial results of the company for the year ended 31st March, 2012 has not been prepared on a going concern basis since the company has closed its manufacturing operations since 19th May, 2007 (closure of factory w.e.f. 8th September, 2007) on account of huge losses incurred and sale of entire plant & machinery during the year ended 31st March, 2010. Adjustments relating to recoverability of most of the recorded asset amounts have been made in the accounts. {Refer note no. 18(B)(3)}.*
- (6) *Balance confirmation certificates were not obtained by the company from creditors, house/shop security depositors and banks (for cash credit balance, interest accrued on cash credit, appropriation of amount of sale consideration of movable assets received by banks towards principal & interest on cash credit and fixed deposits with banks*

including interest accrued on these deposits and of inoperative current accounts with banks) etc. since 30th September, 2007 and consequently adjustments required, if any, has not been carried out in the financial results.{Note no. 18(B)(2)}. Further, amount received of ₹ 361.86 Lakhs during the year ended 30th September, 2007 from Modipon Welfare Trust (MWT) was treated as revenue during the year ended 31st March, 2009 for which the confirmation of MWT regarding nature of payments made to the company as well as balance confirmation letters as on 31st March, 2009 and onwards have not been received till date. {Note no. 18(B)(11c)}.

- (7) *Managing Director's remuneration paid of ₹ 2.71 Lakhs w.e.f. 12th February, 2007 to 31st May, 2007 is subject to the approval of the Central Government. {Note no. 18(B)17}.*
- (8) *(a)The company has not provided interest of ₹1000.54 Lakhs upto 31st March, 2008 on overdue amounts payable to a supplier and (b) the amount of unprovided interest for the period 1st April, 2008 to 31st March, 2012 has not been ascertained. {Note no. 18(B)(4)}.*
- (9) *The amount of unprovided interest, if any, for the period 1st April, 2007 to 31st March, 2012 to Small and Micro enterprises has not been ascertained. {Note no. 18(B)(7)}.*
- (10) *Non-provision of interest on cash credit from banks amounting to ₹ 286.15 Lakhs for the current year (upto 31st March, 2012 ₹ 702.53 Lakhs). {Note no. 18(B)(13d)(v)}.*
- (11) *During the year ended 31st March, 2009, the company has sold 68,042 sq. yds. of its vacant land at Modinagar for ₹1021.15 Lakhs (original cost ₹ 1.95 Lakhs) for which the approval has not been obtained from banks to whom immovable properties of the company, including the above land, are charged.*
- (12) (i) *As stated in note {18(B)(13e)}, the amounts paid by the assignee i.e. Ashoka Mercantile Limited (AML), a related party, to Abu Dhabi Commercial Bank (ADCB) on account of OTS of dues of the bank was accounted for in the books of the company to the extent of OTS amount paid to the ADCB by AML and the balance amount of ₹ 153.92 Lakhs is still lying unallocated under unsecured loans in view of pending settlement of the dues of Punjab National Bank as the settlement of assigned dues with AML is linked to the OTS of dues with PNB.*
- (ii) *As stated in note no. 18(B)(13d) (iii), the amounts paid to Karnataka Bank by Ashoka Mercantile Limited (AML), a related party, during the year ended 31st March, 2012, on account of OTS of dues of the bank was accounted for in the books of the company to the extent of OTS amount paid to the Karnataka Bank by AML and the balance amount of ₹339.20 Lakhs is still lying unallocated under unsecured loans in view of pending settlement of the dues of Punjab National Bank as the settlement of dues with AML is linked to the OTS of dues with PNB.*

(13) The company gave an advance of ₹100.00 Lakhs for purchase of property costing ₹103.95 Lakhs and the same has been wrongly shown as unsecured loan to a corporate body instead of showing as capital advance under 'Long- term loans & advances' in the balance sheet as on 31st March, 2012.

(14) The company has given physical possession of its vacant 59 houses located at Modinagar, Uttar Pradesh to a lender i.e. Ashoka Mercantile Limited (AML), a related party, (balance outstanding of loan taken from AML as on 31st March, 2012 as per books of account: Secured loan ₹157.13 Lakhs and Unsecured loan ₹1070.04 Lakhs) for use without any charges / rent / security deposit and no lease rent agreement has been entered into with AML. The company contends that the temporary possession of houses for use without charges was given to AML as the company was unable to repay the loans taken from AML.

(15) We are informed by the company that the factory buildings at Modinagar mortgaged to banks have been demolished and disposed of during the current year by Ashoka Mercantile Limited (AML), a related party, and the book value of factory buildings amounting to ₹ 50 Lakhs has been charged to Statement of Profit and Loss as an exceptional item during the current year. The management, based upon its assessment and legal advice received, contends that the sale of movable assets to AML approved by the Debt Recovery Tribunal (DRT) on 23.11.2009 also included factory buildings whereas the DRT vide its order dated 23.11.2009 gave direction that AML shall be entitled to possession of the movable assets, dismantling and removable thereof and it is clarified that AML shall not be entitled to demolish the building except to the extent of taking out the fixtures and structure.

In view of the above, we are of the opinion that the company should obtain post-facto approval / clarification again from DRT and / or banks in this matter.

(16) As mentioned in note no. 18(B)(14) of annual accounts, the sale of agricultural land admeasuring 40,827 Sq. mtrs has been approved by the Debt Recovery Tribunal in its order dated 19.05.2011 to M/S GDC Buildcon (P) Ltd subject to receipt of payment of ₹425 Lakhs to be deposited directly with the Tribunal. Balance sale consideration of ₹405 Lakhs is still awaited. Further, it is stated in the above mentioned note that pending receipt of entire sale consideration by the DRT, neither physical possession of land has been given to the buyer nor the sale of above land has been accounted for by the company during the year ended 31st March, 2012.

We are informed that some plots out of above land have been sold by the company at the request of M/S GDC Buildcon (P) Ltd which as per the legal opinion (furnished by the company) is within the rights of the company and accordingly sale consideration is not accounted for by the company. We are of the opinion that the said sales are subject to the approval of DRT.

17. We further report that without considering paragraphs 6, 7, 8(b), 9, 12, 15 and 16 above, the effect of which could not be determined, had the observations made by us at paragraphs 8(a), 10 & 13 above been considered, the profit for the year of ₹214.45 Lakhs would have converted into loss of ₹71.70 Lakhs, negative figure of reserves would have been ₹11,311.47 Lakhs as against the reported figure of ₹9,608.40 Lakhs, long-term loans and advances would have been ₹100.00 Lakhs (as against reported NIL figure) and short-term loans and advances would have been ₹89.01 Lakhs (as against the reported figure of ₹189.01 Lakhs) and trade payables would have been ₹2,704.92 Lakhs (as against the reported figure of ₹1,704.38 Lakhs).

18. Subject to the foregoing:

- (i) 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.
- (ii) 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.
- (iii) In our opinion, the Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in sub-section (3C) of section 211 of The Companies Act, 1956 except for non-disclosure of deferred tax assets and liabilities.
- (iv) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and other notes thereon including note no. 18(B)(1b) regarding disputed income-tax demands, give the information required by the Companies Act, 1956, in the manner so required except for non-disclosure of information relating to Micro, Small and Medium enterprises as stated in note no. 18(B)(7) 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 Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For P. R. MEHRA & CO.,
Chartered Accountants,
(Regn. No. 000051N)
Jai Prakash Agarwal
Partner
M.No. 010270

Place : New Delhi
Dated: 16th August, 2012

ANNEXURE REFERRED TO IN PARAGRAPH (3) OF AUDITOR'S REPORT OF EVEN DATE

- I. (a) *The Company has not maintained proper records showing full particulars including quantitative details and situation of its fixed assets.*
(b) *The Fixed Assets of the company have not been physically verified by the management during the previous five years period ended 31st March, 2012.*
(c) *Substantial part of the Fixed Assets of the Company were disposed off during the year 2009-10 in view of closure of manufacturing operations and the company is not a going concern. (Refer paragraph 5 of our main audit report).*
- II. *There is no inventory at the year end. Accordingly, the provision of clause 4(ii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.*
- III. *In respect of Loans amounting to ₹84.81 Lakhs granted in earlier years to two Companies, covered in the register maintained u/s 301 of the Companies Act, 1956, our observations are as under:*
(i) *Unsecured interest free loans amounting to ₹70.31 Lakhs, due from a Company which has been declared a Sick Industrial Undertaking, is receivable after the rehabilitation period. However, full provision for doubtful amount has been made.*
(ii) *Unsecured, interest free loan amounting to ₹14.50 Lakhs which was overdue from an erstwhile wholly owned subsidiary of the Company mentioned at (i) above, against which liquidation order has been passed, has been written off during the current year.*
- IV. *There are no purchases and sale of inventory and purchase of fixed assets. Accordingly, the provision of clause 4(iv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.*
- V. (a) *According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered during the current year 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 during the current year 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 complied with the provision of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public since*

there were defaults in the repayment of deposits on the due dates and the existing deposits are overdue and are in excess of the limits prescribed under the Rules. Further, the defaults in the repayment of deposits received from depositors was not intimated to the Company Law Board as required by section 58AA(1) of the Companies Act, 1956. The investments as required under Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975 have not been made in view of the stay granted by the Hon'ble Allahabad High Court. As per information and explanations given to us, no order has been passed by the Company Law Board, company law tribunal or Reserve Bank Of India or any Court or any other tribunal on the Company.

VII. The Company has no internal audit system and no internal audit has been conducted since 1st October, 2007.

VIII. No cost records are required to be maintained by the Company.

IX. In respect of statutory dues:

- (a) *According to the information and explanations given to us and the records of the company examined by us, the company was generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax including tax deducted at source and cess applicable to it except for few minor delays in deposit of TDS, PF and FPS dues.*
- (b) *According to the information and explanations given to us, undisputed amounts payable in respect of trade tax / sales tax dues as at 31st March, 2012 for a period of 5 years from the date they became payable are ₹4.45 Lakhs.*
- (c) *According to the records of the company and based on information and explanations furnished to us, the following sales-tax, income-tax, custom duty, excise duty and cess dues were not deposited on account of disputes pending at various forums:*

Nature of Dues	Forum where matter is pending	Financial Year to which the amount relates	Gross Amount (₹ in lakhs)
Sales Tax	High Court Dy. Commissioner Additional Commissioner (Appeal)	1991-92	1.41
		2005-06 & 2006-07	15.00
		2004-05	94.30
Custom Duty	Assistant Commissioner	1982-83	74.66
	Appellate Tribunal	2002-03	19.39
Water tax	Addl. Civil judge, Ghaziabad	1997-98, 1998-99	7.11
Excise Law	Commissioner Appeal, Ghaziabad	1983-84	115.75
Income-tax Act	High Court Commissioner of Income-tax (Appeals)	2006-07 to 2008-09	207.33
		2006-07 to 2008-09	662.91
	Grand Total		1197.86

X. In our opinion, as per the books of account, the accumulated losses of the Company at the end of the current Financial Year are more than 100% of its net worth. The Company has incurred cash losses in this

financial year as well as in the preceding financial year. Our opinion on the matters specified in this clause has been arrived at after considering the effect of the qualifications on the figures of accumulated losses, net-worth and cash losses except for those qualifications the effect of which can't be ascertained/given.

- XI. In our opinion, and according to the information and explanations given to us, the details of defaults in repayment of dues to banks are as under:

(i) Cash credit/working capital demand loans taken from Punjab National Bank and Bank of Baroda amounting to ₹2894.76 Lakhs as on 31st March, 2012 as per books of account i.e. excluding un-provided interest of ₹ 702.53 Lakhs as on 31st March, 2012 are out of order and were classified by banks as non-performing assets before 31st March, 2009 and these banks have already issued notices to the company under section 13(2) of the Securitisation & Reconstruction of Financial Assets & Enforcement of Security interest Act, 2002 for the recovery of their dues. Further, Punjab National Bank and Bank of Baroda have also issued notice under-section 13(4) of the Securitisation & Reconstruction of Financial Assets & Enforcement of Security interest Act, 2002 to the company for taking possession of the secured assets of the company, has also taken symbolic possession of the assets of the company and also sold all movable assets of the company.

- XII. According to the information and explanations given to us, the company has not granted loans and advances on the basis of any security by way of pledge of shares, debentures and other securities.

- XIII. The provisions of any special statute as specified under Clause 4(xiii) of the Order are not applicable to the Company.

- XIV. As the Company is not dealing in or trading in shares, securities, debentures and other investment, the provision of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

- XV. In our opinion, and according to the information and explanations given to us, during the current year, the

Company has not given any guarantee for loans taken by others from Banks or Financial Institutions which are prejudicial to the interest of the Company. *However, in the past, the Company had given guarantees/ undertakings as mentioned in Note no. 18(B)(1c) of Annual Accounts in respect of certain Companies (which presently have become Sick Industrial Undertakings and are yet to be rehabilitated or are under liquidation) to banks and government authorities.*

- XVI. In our opinion, and according to the information and explanations given to us, term loans taken during the current year were applied for the purposes for which these were taken.

- XVII. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that *funds raised on short-term basis during the current year have been used for long-term investment i.e. OTS dues of a bank.*

- XVIII. The company has not made any preferential allotment of shares during the year.

- XIX. The company has not issued any debentures during the year.

- XX. During the period covered by our audit report, the company has not raised any money by way of public issues.

- XXI. To the best of our knowledge and belief and according to the information and explanation given to us, *subject to our observations given in paragraph 16 of our main audit report of even date*, no other fraud on or by the company has been noticed or reported during the course of audit.

For P. R. MEHRA & CO.,
Chartered Accountants,
(Regn. No. 000051N)
Jai Prakash Agarwal
Partner
M.No. 010270

Place : New Delhi
Dated: 16th August, 2012

BALANCE SHEET

As on 31st March, 2012

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
I EQUITY AND LIABILITIES :			
(1) Shareholders' funds:			
(a) Share capital	1	855.60	855.60
(b) Reserves & surplus	2	(9,608.40)	(9,822.85)
(c) Money received against share warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non-current liabilities :			
(a) Long term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other long term liabilities	3	2,334.77	2,326.84
(d) Long term provisions	4	-	3.52
(4) Current liabilities :			
(a) Short term borrowings	5	4,468.44	4,392.81
(b) Trade payables	6	1,704.38	1,905.79
(c) Other current liabilities	7	803.62	956.20
(d) Short term provisions	8	102.07	96.81
TOTAL		660.48	714.72
II ASSETS			
(1) Non-current assets			
(a) Fixed assets :			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investment	9	55.85	56.01
(c) Deferred tax assets (Net)		-	-
(d) Long term loan and advances		-	-
(e) Other non-current assets:-			
Silver Coins		0.01	0.01
Stores and spare parts, etc.		-	-
(2) Current assets			
(a) Fixed assets held for disposal	10	319.27	375.77
(b) Current investments		-	-
(c) Inventories		-	-
(d) Trade receivables		-	-
(e) Cash and bank balances :-		-	-
(i) Cash and cash equivalents	11	6.12	10.74
(ii) Other bank balances	11	65.42	175.76
(f) Short term loans and advances	12	189.01	59.41
(g) Other current assets	13	24.80	37.02
Accounting policies and other notes to financial statements	18		
TOTAL		660.48	714.72

PROFIT & LOSS ACCOUNT

For the Year ended 31st March, 2012

(₹ in Lakhs)

Sl.No.	Particulars	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
I	Revenue from operations		-	-
II	Other income	14	31.45	49.65
III	Total Revenue (I + II)		31.45	49.65
IV	Expenses:-			
	Cost of materials consumed		-	-
	Purchases of stock-in-trade		-	-
	Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-
	Employee benefits expense	15	24.09	20.48
	Finance costs	16	212.84	240.86
	Depreciation and amortization expense	10	0.14	0.28
	Other expenses	17	54.37	88.76
	Total expenses		291.44	350.38
V	Profit/(Loss) before exceptional and extra-ordinary items and tax (III-IV)		(259.99)	(300.73)
VI	Exceptional items:-	18(B)10(A)		
	Amount Written Back		330.11	-
	Interest Written back		-	389.44
	Loss on disposal of fixed assets		(50.00)	-
	Profit on sale of fixed assets		194.33	-
VII	Profit before extra-ordinary items and tax (V-VI)		214.45	88.71
VIII	Extra-ordinary items	18(B) 10(B)	-	(4,899.00)
IX	Profit/(Loss) before tax (VII-VIII)		214.45	(4,810.29)
X	Tax expenses:-			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI	Profit/(Loss) for the period from discontinuing operations		214.45	(4,810.29)
XII	Basic Earnings per equity share of ₹ 10 each (in ₹)	18 (B) 15	-	-
	- Before Extraordinary item		2.58	0.97
	- After Extraordinary item		2.58	(61.53)
	Accounting policies and other notes to financial statements	18		

AUDITORS' REPORT

As per our Report of even date attached

For P. R. MEHRA & CO.,

Chartered Accountants

Jai Prakash Agarwal

For and on behalf of the Board,

Place : New Delhi

Date : 16th August, 2012

Partner

M. No. 010270

A.K. Goel

Company Secretary

O.P. Makkar

Director

Manoj Singh

Director

M. K. Modi

Chairman & M.D.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2012**

DESCRIPTION	Year ended 31st March, 2012 ₹ Lakhs	Year ended 31st March, 2011 ₹ Lakhs	DESCRIPTION	Year ended 31st March, 2012 ₹ Lakhs	Year ended 31st March, 2011 ₹ Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES (Refer Foot Note 2 below)			B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Profit/(Loss) Before Tax	214.45	(4810.29)	Disposal of Fixed Assets/ Security Forfeited/ Damages recovered	-	50.00
Adjustments for :			Sale of Fixed Assets	200.68	
Depreciation	0.14	0.28	House Security deposits received	8.80	138.97
Provision for Wealth Tax	3.00	2.66	Interest Received	39.48	11.08
Interest Charged to Revenue	212.84	240.86	Dividend Received	-	0.04
Assets Written Off/Loss on Sale of Assets	-	-	RBI Matured Bond	-	-
(Provision for Doubtful Debts/ Advances Written Off)	-	5.00	Wealth Tax Paid	(2.98)	(2.66)
Goodwill Written Off {Note 18B 10(B)}	-	4,899.00	Net Cash used in Investing Activities	245.98	197.43
Investment/Bad Debts Written Off	-	-	C. CASH FLOW FROM FINANCING ACTIVITIES		
Profit on Sale of Assets/ Stores	(194.33)	-	Interest Paid	(0.93)	(6.00)
Loss on Disposal of Assets	50.00		Payment of Short Term Borrowings	-	-
Interest Received	(23.65)	(2.33)	Payment of Long Term Borrowings	-	(1.96)
Dividend Income	-	(0.04)	Unsecured Loan Received (Net)	416.80	655.75
Other Non-Cash Income {Note 18B (10A) (a)}	(330.38)	(481.27)	Repayment of Cash Credit to Banks (Net)	(553.33)	(540.00)
	(282.38)	4,664.16	Net Cash from Financing Activities	(137.46)	107.79
Operating Profit before Working Capital changes	(67.93)	(146.13)	Net Increase in Cash and Cash Equivalents	(4.62)	(21.13)
Adjustments for :			Cash and Cash Equivalents (Opening)	10.74	31.87
Decrease in FDR with Bank	110.34	-	Cash and Cash Equivalents (Closing)	6.12	10.74
Decrease/(Increase) in Other Receivables	(132.64)	46.75			
(Decrease)/Increase in Trade and Other Payables	(22.91)	(226.97)			
	(45.21)	(180.22)			
Cash generated from Operations	(113.14)	(326.35)			
Interest Income on Income Tax Refund	-	-			
Fringe Benefit Tax (Pay ments)/Refunds (Net)	-	-			
Net Cash from Operating Activities	(113.14)	(326.35)			

Notes :

1. Cash and Cash Equivalents exclude Fixed Deposits pledged with the Banks/Court- ₹65.41 Lakhs (Previous year ₹ 175.76 Lakhs)
2. In view of the Closure of the Manufacturing Operations of the Fibres Division with effect from 19th May, 2007 (Closure has become Operative from 8th September, 2007), the above Cash Flows represent cash flows of Discontinued Operations.
3. Previous year's figures have been regrouped/recast wherever necessary.

AUDITORS' REPORT

As per our Report of even date attached
For P. R. MEHRA & CO.,
Chartered Accountants
Jai Prakash Agarwal

For and on behalf of the Board,

Place : New Delhi
Date : 16th August, 2012

Partner
M. No. 010270
A.K. Goel
Company Secretary

O.P. Makkar
Director

Manoj Singh
Director

M. K. Modi
Chairman & M.D.

NOTE NO.1 : SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31.03.2012	As at 31.03.2011
Authorised		
2,00,00,000 Equity shares of ₹ 10/- each	2,000.00	2,000.00
5,00,000 Preference shares of ₹100/-each	500.00	500.00
	<u>2,500.00</u>	<u>2,500.00</u>
Issued, subscribed and paid up:		
78,38,057 Equity Shares of ₹10/-each fully paid-up	783.81	783.81
Less:- Calls unpaid (Directors and Officers)	-	-
Less:- Calls unpaid (others)	783.81	-
71,792 15% Redeemable Cumulative Preference shares of ₹100/- each fully paid up	71.79	71.79
Total	<u>855.60</u>	<u>855.60</u>

Foot Notes:

(1) (a) Details of Equity Shares held by each shareholder holding more than 5 Percent shares as at the end of financial year are as under :

	As at 31.03.2012		As at 31.03.2011	
Name of shareholders	No. of shares held	Percent- age	No. of shares held	Percent- age
(i) Status Mark Finvest Limited	8,09,673	10.33	8,09,673	10.33
(ii) Daisy Investment Pvt. Ltd.	5,75,509	7.34	5,60,567	7.15
(iii) Modi Industries Limited	7,00,000	8.93	7,00,000	8.93
(iv) Modi Spg. & Wvg. Mills Co. Ltd	7,00,000	8.93	7,00,000	8.93
(v) Ashoka Mercantile Limited	10,15,489	12.96	10,15,489	12.96
(vi) U.P. State Indl. Dev. Corp. Ltd.	13,01,974	16.61	13,01,974	16.61

(2) Details of preference shares held by each shareholder holding more than 5 percent shares as at the end of financial year are as under :

	As at 31.03.2012		As at 31.03.2011	
Name of share holders	No. of shares held	Percent- age	No. of shares held	Percent- age
(i) Smt. Veena Modi	3,856	5.37	3,856	5.37
(ii) Tanay Welfare Trust	6,133	8.54	6,133	8.54

(2) (a) 71,792 Preference Shares are overdue for redemption since 31st March 1996.

(b) Arrears of Dividend on Redeemable Convertible Cumulative Preference Shares for the Period from 1st April, 1998 to 31st March 2012 amounts to ₹ 197.65 lakhs, excluding Tax on Distributed Profits, if any. The company has no immediate plan to convert these preference share into equity share.

NOTE NO.2 : RESERVES & SURPLUS

(₹ in Lakhs)

Sl.No.	Particulars	Opening Balance	Addi- tion	Deduc- tion	Closing Balance
(1)	Capital Reserve	21.80	-	-	21.80
(2)	Capital Redemption Reserve	158.84	-	-	158.84
(3)	Shares Premium Account	-	-	-	-
(4)	Debenture Redemption Reserve	-	-	-	-
(5)	Revaluation Reserve	-	-	-	-
(6)	Share options outstanding accounts	-	-	-	-
(7)	Other Reserves:	-	-	-	-
(8)	Fund:	-	-	-	-
(9)	Surplus i.e. balance in	(10,003.49)	214.45	-	(9,789.04)
	Statement of Profit and Loss				
	TOTAL	(9,822.85)	214.45	-	(9,608.40)

NOTE NO.3 : OTHER LONG TERM LIABILITIES

(₹ in Lakhs)

Particulars	As at 31.03.2012	As at 31.03.2011
Trade payable	-	-
Others		
Security deposits received against houses	2,172.52	2,163.73
Security deposits received from others	-	-
Other liabilities	162.25	163.11
TOTAL	<u>2,334.77</u>	<u>2,326.84</u>

NOTE NO.4 : LONG-TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 31.03.2012	As at 31.03.2011
Provision for employee benefits		
Provision for gratuity :		
As per last balance sheet	2.23	2.08
Less:- Transfer to short term provisions	(2.23)	-
Add: Provided during the year	-	0.15
Less: Paid during the year	-	-
Sub total (A)	<u>-</u>	<u>2.23</u>
Provision for leave encashment :		
As per last balance sheet	1.29	1.24
Less:- Transfer to short term provisions	(1.29)	-
Add: Provided during the year	-	0.05
Less: Paid during the year	-	-
Sub total (B)	<u>-</u>	<u>1.29</u>
Others	-	-
Sub total (C)	<u>-</u>	<u>-</u>
TOTAL (A+B+C)	<u>-</u>	<u>3.52</u>

NOTE NO.5 : SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 31.03.2012	As at 31.03.2011
Secured		
Loans repayment on demand		
-Cash credit/WCDL from banks	2,894.76	3,575.13
-from others	-	-
Loan and advance from related parties :		
-Modi Industries Limited	7.30	-
-Ashoka Mercantile Limited (Note 18B 13(e) (ii))	157.13	157.13
Other loans and advances	-	-
Unsecured		
Loans repayment on demand		
-from banks	-	-
-from others	339.20	-
Loan and advance from related parties		
-Ashoka Mercantile Limited	1,070.05	660.55
Fixed Deposits	-	-
Security Deposit From Supplier etc.	-	-
Other Loans and Advances	-	-
Total	<u>4,468.44</u>	<u>4,392.81</u>

Foot Note:

- Cash credit/ WCDL from banks and loan from Ashoka Mercantile Limited are secured by charge on block assets of the company.
- (a) Cash Credit/ Working Capital Demand Loans (including Interest Accrued and Due) taken from Banks are out of order and have been classified by Banks as Non-Performing Assets since calendar year 2007.
(b) Punjab National Bank and Bank of Baroda issued Notices to the Company under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) for the recovery of their Dues and have also issued Notices under Section 13(4) of the SARFAESI to the Company for taking possession of the Secured Assets of the Company.
- Loans from related parties : Terms of repayment are yet to be entered into with these Parties.

NOTE NO.6 : TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31.03.2012	As at 31.03.2011
Purchase of raw material and store	1,704.23	1,777.76
Customers for purchase of goods	0.15	128.03
Other payable	-	-
TOTAL	<u>1,704.38</u>	<u>1,905.79</u>

NOTE NO.7 : OTHER CURRENT LIABILITIES

	(₹ in Lakhs)	
Particulars	As at 31.03.2012	As at 31.03.2011
Current maturities of long- term debts (unsecured)		
From banks	-	-
From related party	-	-
Current maturities of finance lease obligations.	-	-
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	-	-
Secured	-	-
Unsecured	8.12	8.12
Income received in advance	-	-
Unpaid dividend	-	-
Application money received for allotment of securities and due for refund and interest accrued thereon	-	-
Unpaid matured deposits and interest accrued thereon unsecured		
-Fixed Deposits	25.72	25.72
-Interest accrued thereon	0.12	0.12
Unpaid matured debentures and interest accrued thereon secured		
-Debentures (Net calls in Arrears)	-	-
-Interest accrued thereon	-	-
Other Payable		
Employees dues	48.16	53.24
Statutory liabilities	135.54	135.91
Sundry creditors	-	-
Security Deposit Refundable	6.49	24.74
Others liabilities	579.47	708.35
Total	803.62	956.20

Foot Note

1:- FOR FIXED DEPOSIT

Fixed Deposits from Public of ₹ 25.72 Lakhs is overdue since 2008-2009

NOTE NO.8 : SHORT-TERM PROVISIONS

	(₹ in Lakhs)	
Particulars	As at 31.03.2012	As at 31.03.2011
Provision for employee benefits :-		
Provision for gratuity :-		
As per last balance sheet	1.28	0.86
Add:- Transfer from long term provision	2.22	-
Add: Provided during the year	0.97	0.42
Less: Paid during the year	-	-
Sub total (A)	4.47	1.28
Provision for leave encashment :-		
As per last balance sheet	2.04	2.84
Add:- Transfer from long term provision	1.29	-
Add: Provided during the year	0.47	0.49
Less: Paid during the year	0.03	1.28
Sub total (B)	3.77	2.05
Others :-		
Provision for Wealth Tax :		
As per last balance sheet	2.65	2.65
Add: Provided during the year	3.00	2.65
Less: Excess Provision W/Back	-	-
Less: Paid during the year	2.65	2.65
Sub total (C)	3.00	2.65
Provision for income tax (net)	90.83	90.83
Sub Total (D)	90.83	90.83
TOTAL (A+B+C+D)	102.07	96.81

NOTE NO.9 : NON CURRENT INVESTMENTS

	(₹ in Lakhs)	
Particulars	As at 31.03.2012	As at 31.03.2011
Trade investments	-	-
Other investments		
Investment property	-	-
Investments in Equity Instruments		
(a) In Subsidiaries	-	-
(b) Others :		
(i) Quoted : (At cost less provision for diminution in value)		
Equity Shares Fully Paid up of ₹10 each		
3,91,598 Lords Chloro Alkali Limited (Foot Note 2)	55.41	55.41
20,00,000 Spark Plugs Company (India) Limited (Foot Note 1 & 4)	150.00	150.00
Less : Provision for Diminution in Value	(150.00)	(150.00)
75,632 Modi Spinning & Weaving Mills Co. Limited (Foot Note 1 & 3)	-	-
5,580 Modi Industries Limited (Note-1)	-	-
1,000 J. K. Synthetics Limited (Note-1)	0.02	0.02
640 Century Enka Limited	0.04	0.04
225 Garware Nylons Limited (Note-1)	0.02	0.02
100 J.K.Cement Limited	-	-
28 Shree Synthetics Limited (Note-1)	0.01	0.01
(ii) Unquoted : At Cost		
(a) Investment in Equity Shares		
3,460 Modi Intercontinental Pvt Ltd.	0.35	0.35
15,126 Haryana Distillery Limited (Foot Note 3)	-	-
15,126 Rajputana Fertilizer Limited (Foot Note 3)	-	-
(b) Investment in Preference Shares		
165 shares of ₹100 each fully paid up in Modi Spinning & Weaving Mills Co. Ltd.	-	-
(c) Investment in Government or Trust Securities		
8% Central Government Loan	-	0.16
(d) Investment in Debentures or Bonds :		
Non-Convertible Debentures of ₹200 each (12.5% Redeemable Non-Convertible)	-	-
328 Modi Industries Limited		
Total	55.85	56.01
Foot Notes:		
(1) Carrying amount of quoted investments:	55.50	55.50
(2) Market value of Quoted Investment	101.51	126.62
(3) Carrying amount of unquoted investments	0.35	0.51
(4) Aggregate provision for diminution in value of investments	150.00	150.00

Notes :-

- Aggregate Market Value is exclusive of these Investments in view of non-availability of Current Market rates.
- Shares certificate of 6,599 equity shares is yet to be received.
- In view of Rehabilitation scheme of Modi Spg & Wvg Mills Co. Ltd. (MSWM), the Company was allotted free of cost 15,126 equity shares of ₹10 each during the previous year of Haryana Distillery Ltd. (HDL) and Rajputana Fertilizers Ltd. (RFL) on account of demerger of units of MSWM to HDL & RFL. Consequently the original cost of ₹ 1 has been allocated on notional basis among MSWM, HDL & RFL. Shares of HDL are yet to be received by the company.
- 5,00,000 equity shares are yet to be transferred to the name of the company.

NOTE NO.10 : FIXED ASSETS HELD FOR DISPOSAL

(₹ in Lakhs)						
DESCRIPTION	As at 1st April, 2011	Deduction/ Sale	Fixed Assets Written Off during the year	Depreciation for the year	As at 31st March, 2012	As at 31st March, 2011
Land (Freehold)	24.71	5.67	-	-	19.04	24.71
Non Factory Buildings (Including Residential Colony)	300.23	-	-	-	300.23	300.23
Vehicles	0.83	0.69	-	0.14	-	0.83
Factory Buildings	50.00	-	50.00	-	-	50.00
Total	375.77	6.36	50.00	0.14	319.27	375.77
Previous Year	426.05	50.00	-	0.28	375.77	

NOTE NO.11 : CASH AND BANK BALANCES

(₹ in Lakhs)		
Particulars	As at 31.03.2012	As at 31.03.2011
(i) Cash and cash equivalents:-		
a) Balances with banks	5.42	10.49
b) Cheques, drafts in hand	-	-
c) Cash in hand	0.70	0.25
d) Others	-	-
TOTAL	6.12	10.74
(ii) Other bank balances:-		
(a) Earmarked balance with banks (Unpaid dividend)	-	-
(b) Balance with Banks held as margin money against guarantees	65.42	175.76
(c) Bank deposits with more than 12 months maturity	-	-
TOTAL	65.42	175.76

NOTE NO.12 : SHORT-TERM LOANS AND ADVANCES

(₹ in Lakhs)		
Particulars	As at 31.03.2012	As at 31.03.2011
(a) Loans and advances to related parties		
(i) - Secured considered good	-	-
(ii) - Unsecured considered good :		
Ashoka Mercantile Limited	32.65	-
Modi Industries Limited	3.90	5.46
(iii) -Doubtful	-	-
(b) Others (unsecured, consided good)		
(i) Unsecured Loan to a Corporate Body	100.00	-
(ii) Tax deducted at source	-	-
(iii) Prepaid expenses	-	-
(iv) Amount recoverable	40.45	41.94
(v) Others	-	-
(c) Others (doubtful)		
(i) Loans & Advances to employees	5.75	6.01
(ii) Amount recoverable	5.18	5.18
(iii) Others	569.16	622.34
Less: Provision for Doubtful loans and advances	(580.09)	(633.53)
Security Deposits		
-Secured Considered Good	-	-
-Unsecured Considered Good	12.01	12.01
-Doubtful	-	-
Less: Allowance for doubtful	-	-
Total	189.01	59.41

NOTE NO.13 : OTHER CURRENT ASSETS

(₹ in Lakhs)		
Particulars	As at 31.03.2012	As at 31.03.2011
Income Tax receivable	10.55	9.68
Interest accrued on fixed deposits with banks	11.01	26.84
Rent Receivable	0.31	0.50
Matured Investment (8% Central Govt loan) (including interest accrued)	0.24	-
Interest accrued on unsecured loan	2.69	-
TOTAL	24.80	37.02

NOTE NO.14 : OTHER INCOME

(₹ in Lakhs)		
Particulars	For the Year ended 31.03.2012	For the Year ended 31.03.2011
(a) Interest income	23.65	2.38
(b) Dividend received (gross)	-	0.04
(c) Net gain/loss on sale of investments	-	-
(d) Rental income	7.42	10.73
(e) Excess provision written back	0.27	0.02
(f) Amount written back	-	31.81
(g) Other non-operating income	0.11	4.67
TOTAL	31.45	49.65

NOTE NO.15 : EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)		
Particulars	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Salary, wages, gratuity & other allowances	19.97	17.12
Contribution to Provident and other funds	1.17	1.00
Staff welfare expenses	2.95	2.36
TOTAL	24.09	20.48

NOTE NO.16 : FINANCE COSTS

(₹ in Lakhs)		
Particulars	For the Year ended 31.03.2012	For the Year ended 31.03.2011
(a) Interest expenses:-		
(i) On short term borrowings	212.16	235.69
(ii) On statutory dues	0.68	5.17
(iii) On trade payable	-	-
(iv) On security deposits	-	-
(b) Other borrowing costs	-	-
(c) Net gain/loss on foreign currency transactions and translation	-	-
TOTAL	212.84	240.86

NOTE NO.17 : OTHER EXPENSES

(₹ in Lakhs)		
Particulars	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Motor car expenses	6.61	6.54
General Charges	1.15	5.01
Postage & telegram	2.26	2.75
Sundry repairs	1.79	4.43
Office maintenance expenses	1.80	1.67
Rates & taxes	16.60	15.10
Wealth Tax	3.32	2.66
Claims/amounts Written off	53.16	
Less:- Provision for doubtful loans and advances	(53.16)	-
Auditor's remuneration (see foot-note below)	5.64	6.90
Provision for doubtful advances	-	5.00
Freight/Transport & forwarding	-	0.04
Travelling expenses	1.01	2.47
Legal & professional charges	7.30	18.82
Retainership Expenses	2.72	4.74
Other general expenses	4.17	12.63
TOTAL	54.37	88.76

NOTE:**Auditor's remuneration**

(a) As auditor	2.25	2.21
(b) For taxation matter	1.12	1.65
(c) For company law matter	-	-
(d) For management services	-	-
(e) For other services including certification	1.94	2.21
(f) For reimbursement of expenses	0.33	0.83
TOTAL	5.64	6.90

NOTE 18 : SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES
A. SIGNIFICANT ACCOUNTING POLICIES
1. REVENUE RECOGNITION

- (a) Rental Income is accounted for on cash basis where there is unascertainty in realization.

2. INVESTMENTS

Investments, being long term, are carried at cost less provision for diminution, other than temporary, in the value of such investments.

3. RETIREMENT BENEFITS TO EMPLOYEES

- (a) Company's contribution to provident/pension is charged to the Profit & Loss Account on accrual basis.
- (b) Provision for leave encashment benefits and gratuity of the continuing employees is provided on accrual basis based on actual computation instead of computing on actuarial basis as the company has only two employees at the year end.

B. CONTINGENT LIABILITIES AND NOTES

1. (a) Claims against the company not acknowledged as debts (excluding unascertainable amounts) in respect of :

	As at 31st March, 2012	As at 31st March, 2011
	₹ Lakhs	₹ Lakhs
(i) Income Tax (See note 1(b) below)	870.24	870.24
(ii) Sales Tax/ Excise/ Customs Duty	206.11	191.11
(iii) Water Tax	7.11	7.11
(iv) Others	157.08	157.80

- (v) The following are the particulars of above Dues on account of Sales Tax, Excise Duty, Customs Duty, Water Tax and Income Tax as at 31st March, 2012 that have been disputed by the Company in Appeals pending before the Appellate Authorities:

Nature of the Statute	Nature of the Dues	Period to which the Amount relates	Forum where Dispute is Pending	Amount of Disputed Dues (₹ Lakhs)
Sales Tax Laws	Sales Tax	1991-92	High Court	1.41
Sales Tax Laws	Sales Tax	2005-06 & 06-07	Asst. Commissioner	1.35
Sales Tax Laws	Sales Tax	2006-07	Dy. Commissioner	7.00
Sales Tax Laws	Sales Tax	2005-06 & 06-07	Dy. Commissioner	8.00
Sales Tax Laws	Sales Tax	2004-05	Additional Commissioner (Appeal)	94.30
Customs Law	Customs Duty	1982-83	Asst. Commissioner	74.66
		2002-03	Appellate Tribunal	19.39
The Uttar Pradesh Water Supply and Sewerage (Amendment) Act, 1999	Water Tax	1997-98 & 1998-99	Additional Civil Judge	7.11
Central Excise Law (on-account payment of ₹125.00 lakhs)	Excise Duty	1983-84	Commissioner Appeal Ghaziabad	115.75
Income tax Act, 1961	Non-Deduction of TDS	2006-07 to 2008-09	High Court/ Commissioner of Income Tax (Appeals) /ITAT/ITO	207.33 662.91

- (b) For Assessment years 2006-07 to 2008-09, a demand of ₹ 870.24 Lakhs was raised by Income Tax department towards non-deduction of TDS ₹ 260.77 Lakhs plus interest and penalty amounting to ₹ 609.47 Lakhs. On an appeal filed by the company, the Hon'ble Allahabad High court has stayed recovery of demand of ₹ 181.87 Lakhs along

with interest of ₹ 25.46 Lakhs and the matter is pending. Company has also filed appeals before Commissioner of Income Tax (Appeals) which are pending.

- (c) Guarantees executed in favour of Banks and Government Authorities on behalf of the following Companies against their Counter Guarantees:
- (i) Modi Industries Limited, a Company under the same Management ₹10.63 Lakhs (Previous year ₹ 10.63 Lakhs);
- (ii) Other Corporate Body ₹ 28.00 Lakhs (Previous year ₹ 28.00 Lakhs).

The amounts outstanding against these Guarantees are not available.

2. Balance confirmation certificates from Creditors, house/ shop security depositors and Banks (for cash credit, certain current accounts & fixed deposits including interest accrued with two banks) etc. as on 31st March, 2008 and onwards were not obtained and consequently adjustment required on reconciliations, if any, will be carried out subsequently as and when reconciled/confirmed.
3. The Accounts of the Company have not been prepared on a going concern basis in view of Closure of Manufacturing Operations of the Company during the year ended 30th September, 2007 and sale of all moveable assets including Plant & machinery during the year 2009-10. However, once the liabilities of the Company towards secured creditors are cleared, the Company will start business operations.
4. Claims from a supplier towards Interest on late payments etc. amounting to ₹ 1000.54 Lakhs upto 31st March, 2008, has not been provided in the Books of Account as the same are being disputed by the Company. The amount of interest for the 48 month period ended 31st March, 2012 is not ascertainable.
5. The Ministry of Corporate Affairs has notified the revised Schedule VI to the Companies Act 1956 on 28th February 2011 vide notification number S.O. 447 (E) (as amended by Notification No. S.O. 653(E) dated 30th March, 2011) and the revised schedule VI has replaced the old schedule in respect of the Balance Sheet and Profit & Loss Account prepared for financial year commencing on or after 1st April 2011. Accordingly, the Balance Sheet of company as at 31st March, 2012 and its Profit & Loss for the year ended on 31st March, 2012 are prepared as per revised Schedule VI to the Companies Act 1956, and corresponding figures of previous year have been regrouped, rearranged to make them comparable with figures for current reporting period ended 31st March 2012.
6. No Provision for Income Tax under the Income Tax Act, 1961 is considered necessary for current financial year on account of unabsorbed depreciation and unabsorbed business losses.
7. Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force on 2nd October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company has not collected the relevant information. Since the information is not readily available, no disclosures/provision for interest have been made in the Books of Account.
8. In view of Unabsorbed Depreciation, carry forward business losses incurred by the Company in the previous year, sale of Fibers Division and Closure of Manufacturing Operations of the Company in the year 2007, the recognition of Deferred Tax Assets (Net) has been postponed on consideration of prudence.

9. The Manufacturing Operations of the Company have been closed with effect from 19th May, 2007. In terms of the provisions of the Uttar Pradesh Industrial Disputes Act, 1947, the Closure has become operative from the date of expiration of the period of 90 days from the date of application i.e. on 8th September, 2007.

10. (A) Exceptional Items in Profit & Loss Account includes :

(a) For the year ended 31st March, 2012:

(i) Income received ₹ 194.33 Lakhs being excess of amount received over cost of land of ₹ 5.67 Lakhs sold on "As is where is" basis.

(ii) Loss of ₹ 50 Lakhs on Disposal of Factory Building in previous year.

(iii) Management has conducted detailed exercise during the year to identify: (i) inoperative credit balances outstanding for more than three years i.e. time-barred which are not payable and (ii) Old entries in amount recoverable account/ in-operative debit balances which are to be written off. Based on the above exercise, the following amounts have been written back/written off during the year:

(i) Excess Provision/ amount written back amounting to ₹ 330.11 Lakhs.

(ii) Amount written off amounts to ₹ 53.16 Lakhs against which provision made in earlier years.

(b) For the year ended 31st March, 2011:

(i) Provision made for diminution in value of investments in Lords Chloro Alkalies Ltd of ₹ 55.41 Lakhs in earlier year has been written back as the shares are now quoted and market value as on 31st March, 2011 was ₹ 125.31 Lakhs

(ii) Refer note 18B 13 (d) (ii) for write back of interest ₹ 370.59 Lakhs in view of payment of OTS dues of Allahabad Bank.

(B) Extraordinary Item for the year ended 31st March, 2011 represents Issue of 1,17,57,085 fully paid up equity shares of ₹ 10 each of Indofil Organic Industries Ltd (IOIL) for ₹ 4,899.00 Lakhs at a premium of ₹ 3,723.00 Lakhs which was treated as "Goodwill" on receipt of approval of Hon'ble Allahabad High court during the financial year ended 31st March, 2011, has been written off as per Accounting Standard (AS) 26 i.e. Intangible Assets.

(C) Prior Period items:

		(₹ in Lakhs)	
S.No.	Particulars	2011-2012	2010-2011
(A)	Income	12.66	.05
	Other Income		
	Loss on Disposal of Fixed Assets	(50.00)	-
(B)	Expenditure		
	Other Expenses	0.32	7.21

11. (a) Since the Net Book value of Land, Residential buildings at Modinagar, Office premises outside Modinagar and factory/ administrative building in Modinagar are lower than the Net Realisable Value as per Valuer's Report / Management's estimate, no provision for diminution is required to be made and the net book Value of ₹ 319.28 Lakhs as on 31st March, 2012 has been clubbed with "Fixed Assets held for Disposal" on the face of the Balance Sheet.

(b) The company has sold 65,743 sq. yds. and 2,299 sq. yds. of its vacant land at Modinagar for ₹ 986.15 Lakhs

(original cost ₹ 1.88 Lakhs) and ₹ 35.00 Lakhs (original cost ₹ 0.07 Lakhs) respectively which resulted in Profit on Sale of Land amounting to ₹ 1,019.20 Lakhs during the year ended 31st March, 2009. Approval of banks to whom immovable properties of the Company, including the above Land, are charged is pending.

(c) Amount received from Modipon Welfare trust amounting to ₹ 361.86 Lakhs shown as a Liability as on 30th September, 2007, Which was utilized generally for payment of "Worker's Dues", was treated as Revenue during the year ended 31st March, 2009 since the same is not payable to the Trust.

12. In view of Valuation of fixed assets (excluding vehicles) at lower of cost and net realizable value, no provision for Depreciation has been made since 1st April, 2007.

13. (a) Cash credit/Working Capital Demand Loans (including interest accrued and due) taken from Banks are out of order and have been classified by Banks as Non-Performing Assets.

(b) Punjab National Bank and Bank of Baroda issued notices to the company under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) for the recovery of their dues and have also issued notices under section 13(4) of the SARFAESI to the company for taking possession of the secured assets of the company.

(c) Punjab National Bank has initiated recovery proceedings before Hon'ble DRT-II, Delhi, taken symbolic possession of Fixed Assets and proceeded to sell the charged Assets during the year 2009-10. Hon'ble DRT-II granted permission to the Bank to sell movable Assets of the Company and the bank has sold these assets during the year 2009-10. The amount of sale consideration of ₹ 3,361.00 Lakhs paid to banks on sale of moveable assets has been adjusted in cash credit accounts of bank which also includes interest of ₹ 2,279.61 Lakhs credited for the period from 1st April, 2007 to 31st March, 2010.

(d) (i) Interest on Working Capital Facilities obtained from Banks was provided during the year ended 31st March, 2009 for the period from 1st April, 2007 to 31st March, 2009 and has been credited to cash credit accounts of the banks.

(ii) The Management is taking up the matter of one time settlement (OTS) of dues of banks. Allahabad Bank has already approved one time settlement (OTS) of dues at ₹ 540.00 Lakhs which has been paid in 4 equal monthly installments w.e.f. July, 2010 by Ashoka Mercantile Limited (AML) a related party. In view of the above, ₹ 370.59 Lakhs being excess of balance outstanding in the books of account over OTS dues has been recognized as revenue during the previous year on full payment of OTS dues to Allahabad bank.

(iii) Loan liability of ₹ 749.20 Lakhs to Karnataka Bank has been discharged by the Company under OTS (one time settlement), in arrangement with Ashoka Mercantile Limited paying the settled sum of ₹ 410 Lakhs to the said bank. The settlement resulted into remission of liability by ₹ 339.20 Lakhs. As per the draft M.O.U. approved by the Board of Directors of the Company on 16th August, 2012 with Ashoka Mercantile Ltd, they shall be entitled to so much of the waived-off amount under OTS as agreeable, but to the extent such sum does not exceed the sum as

worked out by applying the ratio of waiver agreed by the Company for settlement under OTS with Punjab National Bank (PNB). Pending the determination of OTS with PNB, the amount of ₹339.20 Lakhs being the subject matter of OTS arrangement with Ashoka Mercantile Limited and liable to be dealt with later has been kept aside and shown in Balance Sheet under the head "Short term borrowings".

No provision of interest has been made on loan repaid by Ashoka Mercantile Limited, pending finalization of Debt Assignment Agreement under this OTS deal.

- (iv) Pending finalisation of terms of loan agreements with Ashoka Mercantile Limited (AML) who has given unsecured loans of ₹950 Lakhs for payment of OTS dues of banks, no provision of Interest on unsecured loan taken of ₹410 Lakhs has been made for the year ended 31st March, 2011 and 31st March, 2012 and on unsecured loan taken of ₹540 Lakhs, for the year ended 31st March, 2012.
- (v) In view of the above, pending OTS with PNB and BOB simple interest @ 10 % amounting to ₹212.16 Lakhs on the balance outstanding as on 31st March, 2012, after taking into account the amounts received by banks from sale of movable assets of the Company has been provided for during the current year and has been credited to the cash credit accounts of banks. Has the interest been provided as per past practice followed upto 31st March 2009., Interest expenses for the current year would have been higher by ₹286.15 Lakhs (upto 31st March, 2012 ₹702.53 Lakhs)
- (e) (i) The Abu Dhabi Commercial Bank Limited has settled its Dues of ₹351.05 Lakhs under One Time Settlement (OTS) as conveyed vide its letter dated 23rd September, 2008. Since the Company did not have funds to pay the settled dues, it had approached M/s Ashoka Mercantile Limited (AML) for making payment of settled dues to the Banks. Further, it has also been agreed with AML that it shall not be entitled to settlement of its claim better than what is agreed by the Company with PNB.
- (ii) Since settlement of dues of PNB is still pending, the amount paid towards OTS by AML of ₹157.13 Lakhs (net of ₹40 lakhs paid to AML upto 31st March, 2011) is shown as secured loan in Note 5 i.e. as on 31st March 2012 and the balance amount of ₹153.92 Lakhs (₹351.05 Lakhs - ₹197.13 Lakhs) outstanding in the books of accounts has also been shown as unsecured loan, to be written back or credited to AML at the time of OTS with other banks as stated in (i) above.
- (iii) As the OTS with PNB as stated above is pending, no interest has been provided on the balances mentioned in the 13 (e) (ii) above during the current year as well as in the previous years, amount unascertained.

14. Debts Recovery Tribunal (DRT) has, vide its order dt. 19th May, 2011, confirmed/approved sale of a piece of agricultural land admeasuring 40,827sq mtr, owned by the Company to M/s GDC Buildcon Pvt. Ltd., Mumbai for a consideration of ₹425.00 Lakhs (Estimated cost ₹1.27 Lakhs). The payment was to be deposited by the buyer with DRT. The balance payment of ₹400.00 Lakhs is yet to be deposited by the buyer with DRT and extension of time for deposit of balance amount sought by it is yet to be approved by the DRT. Accordingly, the Company has neither given physical possession of land to the buyer nor entered into any sale agreement/ sale deed etc. with the buyer/ any other party and accordingly, the sale of the land will be accounted for in the books of account of the Company on deposit of entire purchase consideration by the buyer after obtaining approval for extension of time for deposit of balance amount.

15. EARNING PER SHARE BASIC AS WELL AS DILUTED (E.P.S.):

DESCRIPTION		Year ended 31st March, 2012	Year ended 31st March, 2011
		₹ Lakhs	₹ Lakhs
Profit/(Loss) before Tax, and Extra-ordinary Item for the Year		214.45	88.71
Add/(Less):			
1. Dividend on Preference Shares (Including Dividend Tax)		(12.60)	(12.60)
Profit/(Loss) after Tax but before Extra-Ordinary Item	(A)	201.85	76.11
Number of Equity Shares (of ₹10 each)	(B)	78,38,057	78,38,057
E.P.S. before Extra-Ordinary Items (in ₹) (A)/(B)		2.58	0.97
Profit/(Losses) before Tax and Extra-Ordinary Item for the Year		214.45	88.71
Less/(Add):			
1. Extra-ordinary item		-	(4,899.00)
2. Dividend on Preference Shares (including Dividend Tax)		(12.60)	(12.60)
Profit/(Loss) after Tax	(C)	201.85	(4,822.89)
E.P.S. after Tax (in ₹) (C)/(B)		2.58	(61.53)

16. RELATED PARTIES DISCLOSURE:

- A. KEY MANAGEMENT PERSONNEL:
Dr. Mahendra K. Modi – Chairman & Managing Director
- B. OTHER RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS ETC;
Enterprises over which the Key Management Personnel and their relatives are able to exercise significant influence.
- Ashoka Mercantile Limited (AML)
 - Modi Industries Limited (MIL)
- C. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCE AS ON 31ST MARCH, 2012{(Refer Note 18(B)13(e)}:
- (a) Transactions with the Enterprises over which the Key Management Personnel and their Relatives are able to exercise significant influence:

DESCRIPTION	Year ended 31st March, 2012 (₹ in Lakhs)	Year ended 31st March, 2011 (₹ in Lakhs)
Recovery of Expenses	0.07	0.24
Expenses Reimbursed	16.59	3.08
Payment of interest	-	9.03
Sale of Cars to AML	0.71	-
Unsecured loan received from AML:		
- Received during the year (Note 18B 13(d)(iv))	410.00	722.31
- Repayment of loan	0.50	66.57
- Balance outstanding:		
Secured Loan	157.13	157.13
Unsecured Loans	1,070.05	660.55
Security Deposit Received from MIL		
- Received during the year	1.43	97.95
- Refunded during the year	-	18.40
Balance Outstanding	147.63	146.20
Amount payable	7.30	20.23
Interest payable	8.12	8.12
Advances Receivable from:	3.90	5.46
AML	32.65	-
MIL	3.90	5.46

Note: The Company has not been able to repay the loans as shown above given by Ashoka Mercantile Limited (AML), a related party. During the month of May, 2011, the Company has given temporary physical possession with right of user of 59 residential houses owned by it at Modinagar to AML and the same is still continuing.

17. The Remuneration of Dr. M. K. Modi, Chairman & Managing Director (C&MD) of ₹2.71 Lakhs w.e.f. 12th February, 2007 to 31st May, 2007 is subject to the approval of the Central Government.

(A.K. Goel) (O.P. Makkar) (Manoj Singh) (M.K. Modi)
Company Secretary Director Director Chairman & MD

As per our Report of even date attached
For P.R. Mehra & Co.
Chartered Accountants
(Regn. No. 000051N)
(Jai Prakash Agarwal)
Partner

Place: New Delhi
Date: 16th August, 2012

M.No. 010270

ATTENDANCE SLIP

MODIPON LIMITED

Regd. Office : Modinagar - 201 204
District Ghaziabad (U. P.)

DP ID No.*	
Client ID No.*	

Master Folio No.	
No. of Shares held	

Name and Address of the Shareholder.....
.....

I hereby record my presence at the 45th ANNUAL GENERAL MEETING of the Company held on Thursday, the 27th September, 2012 at 1.00 P.M. at Alok Park Club, Alok Park, Modinagar - 201 204.

Signature of the Shareholder/Proxy

* Applicable for Members holding Shares in Demat Form.

Note : Shareholder/Proxy holder desiring to attend the Meeting should bring his Copy of the Annual Report for reference at the Meeting.

FORM OF PROXY

MODIPON LIMITED

Regd. Office : Modinagar - 201 204
District Ghaziabad (U. P.)

DP ID No.*	
Client ID No.*	

Master Folio No.	
No. of Shares held	

I/We of in the District of
being Member(s) of Modipon Limited, hereby appoint Mr./Ms.
of in the District of
or failing him/her, Mr./Ms. of
in the District of as my/our Proxy to attend and vote for me/us and on my/
our behalf at the 45th ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 27th September, 2012 at 1.00 P.M. at Alok Park Club, Alok
Park, Modinagar - 201 204 or at any adjournment thereof.

Signed thisday of 2012

Signature

Affix
One Rupee
Revenue
Stamp

* Applicable for Members holding Shares in Demat Form.

Note : The Proxy Form duly stamped, completed and signed should reach the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. The Proxy need not be a Member of the Company.

BOOK POST

If undelivered, please return to:

modipon
limited



Hapur Road,
Modinagar-201 204