



**modipon
limited**

49TH ANNUAL REPORT 2015-16

BOARD OF DIRECTORS

Dr. M. K. Modi	Chairman
Mr. Manish K. Modi	Managing Director
Mr. Amit Kumar Ghosh, IAS	Independent Director
Mr. Gaurav Sekhri	Independent Director
Mr. Vivek Gupta	Independent Director
Mrs. Aditee Modi	Woman Director

COMPANY SECRETARY

Mr. A. K. Goel

CHIEF FINANCE OFFICER

Mr. Narayan C. Rout

BANKERS

Punjab National Bank

AUDITORS

Messrs B. M. Chatrath & Co.
Chartered Accountants
A-78, 2nd Floor, Sector -4,
Noida 201 301 (U.P.)

REGISTERED OFFICE

Hapur Road,
Modinagar - 201 204
District : Ghaziabad (U.P.)

REGISTER AND TRANSFER AGENT

MAS Service Limited
T-34, 2nd Floor,
Okhla Industrial Area, Phase-II,
New Delhi - 110 020

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MODIPON LIMITED

CIN : L65993UP1965PLC003082

Regd. Office : Hapur Road, Modinagar- 201 204 (U.P.)

Email : modipon@modimangal.in

akgoel@modimangal.in

Website : www.modipon.net

NOTICE

Notice is hereby given that the 49th Annual General Meeting of Modipon Limited, Modinagar will be held on Friday, the 30th September, 2016 at 4.00 P.M. at Modipon Compound, Opposite Nagar Palika, Hapur Road, Modinagar-201 204 (U.P.) to transact the following Business:

ORDINARY BUSINESS

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

"RESOLVED THAT the Financial Statements of the Company for the year ended 31st March, 2016 including the audited Balance Sheet as at 31st March, 2016, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date, the Reports of the Board of Directors and the Auditors be and are hereby received, considered and adopted."

SPECIAL BUSINESS :**SPECIAL RESOLUTION :**

2. 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 a **Special Resolution**:

"RESOLVED THAT in compliance of the provisions of Section 139(2) of the Companies Act, 2013, M/s. B.M. Chatrath & Co., Chartered Accountants, New Delhi be and are hereby appointed as Auditors of the Company for a period of five years i.e. from the conclusion of this Annual General Meeting until the conclusion of the 54th Annual General Meeting of the Company at a fee of Rs. 1,50,000/- (Rupees One Lac Fifty Thousand only) plus applicable Service Tax etc."

3. **TO CONSIDER AND, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution :**

"RESOLVED that in furtherance of the resolution passed by the members of the Company in their General Meeting held on 30.09.2014, the Loan Agreement dated 21st June, 2015 ("Agreement") executed by the Board of Directors of the Company with M/s Modi Intercontinental Private Limited, New Delhi (a related party) for obtaining a loan of Rs. 6 crores ("Loan Amount") for payment of settled OTS installments of Punjab National Bank, the option of conversion of the Loan Amount into equity in the Company in the event of default in accordance with the terms of the Agreement and creation of first charge on all the immovable properties of the Company ranking pari passu with the existing charge holders, be and is hereby rectified, confirmed and approved.

RESOLVED FURTHER that the consent be and is hereby accorded under Section 180 (1)(a), 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to mortgage and/or charge, in any manner whatsoever, all or any of the immovable properties of the Company for the purposes of securing the Loan Amount from Modi Intercontinental Private Limited and that such charge shall rank pari passu with other existing charges created by the Company and to do any or all acts for conversion of Loan Amount into equity shares of the Company to be issued to Modi Intercontinental Private Limited, on occurrence of certain events in accordance with the terms of the Agreement in compliance with the applicable provisions, if any, of the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, the regulations/guidelines, if any, issued

by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force), and the actions of the Board of Directors, if any, taken in this regard be and are hereby rectified, confirmed and approved.

AND RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to resolve any question or doubt which may arise in relation to the said Agreement entered into with Modi Intercontinental Private Limited or otherwise considered by the Directors of the Company to be in the best interest of the Company and to do all such other acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this resolution."

Explanatory Statement in respect of the Special Business pursuant to Section 102 of the Companies Act, 2013 :**Agenda Item No. 2 :**

The auditors of the Company, M/s S.R. Dinodia & Co. LL.P., Chartered Accountants, New Delhi, who had been the statutory auditors of the Company for five years i.e. from 48th Annual General Meeting till the conclusion of the 52nd Annual General Meeting have tendered their resignation vide their letter dated 5th August, 2016. The Board of Directors had accordingly appointed M/s B.M. Chatrath & Co., Chartered Accountants of Noida as Statutory Auditors of the Company for a term of five consecutive years i.e. from 49th Annual General Meeting until the conclusion of the 54th Annual General Meeting of the Company.

Accordingly, the Board of Directors recommend appointment of M/s. B.M. Chatrath & Co., Chartered Accountants of Noida as Statutory Auditors of the Company for a term of five years.

Agenda Item No. 3 :

Whereas all other consortium member banks of the Company had settled their outstanding dues with the Company under One Time Settlement, Punjab National Bank, the consortium leader, had not settled its dues under OTS. It was after a great persuasion that Punjab National Bank approved a One Time Settlement of the outstanding dues of the Company vide its sanction letter dated 2nd April, 2014. In terms of the OTS, the settled amount of Rs. 19 crores was to be paid by the Company on or before 28th March, 2015 along with simple interest @ 10.25% per annum. However, on account of Company's inability to realize requisite funds from sale of residential houses and land, it could only pay Rs. 6.30 crores by 31st March, 2015. Resultantly, PNB recalled the OTS, making the Company liable to pay the original dues of Rs. 24,33,92,023.76 along with interest and costs as per the Consent Decree passed by Hon'ble Debt Recovery Tribunal, New Delhi. The Company approached PNB for condonation of delay and revival of OTS which PNB agreed to consider provided the Company makes an upfront payment of Rs. 3 crores. Since the Company did not have funds to make upfront payment and to pay initial installment amount, it approached M/s Modi Intercontinental Private Limited, New Delhi (a related Party) to advance funds upto Rs. 6 crores. Company's request was acceded by Modi Intercontinental Private Ltd. which agreed to advance funds provided the Company extends the same security as is presently available to Punjab National Bank. Looking to the benefits accruing from OTS granted by Punjab National Bank, the Board of Directors of the Company thought it most appropriate and in the best interest of the Company to avail loan from Modi Intercontinental Private Limited and get rid of Recovery Certificate issued by Hon'ble Debts Recovery Tribunal in favour of Punjab National Bank. Accordingly, Board of Directors of the Company, under the authority granted by the members of the Company vide their Special Resolution passed at the Annual General Meeting held on 30.09.2014, in its meeting held on 18th May, 2015, approved availing of loan from Modi Intercontinental Private Limited and accordingly the upfront payment was made to PNB and PNB approved condonation of delay and revived the OTS vide its letter dated 02.07.2015.

Dr. M.K. Modi, Mr. Manish K. Modi and Mrs. Aditee Modi may be deemed to be concerned or interested in the passing of the resolution mentioned at Item No. 3 of the Notice. No other Director is interested in this resolution.

Your Directors recommend the Special Resolution as set out in the notice for your approval.

By Order of the Board,
For Modipon Limited



Place: New Delhi
Dated: 1st September, 2016

(A. K. Goel)
Company Secretary

Notes:

1. 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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Member holding more than 10% is entitled to appoint a single proxy, who can not be proxy of any other member. 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.
2. All documents referred to in the accompanying Notice and the Explanatory Statement will remain 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 5.00 P.M. upto the date of the Annual General Meeting.
3. 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.
4. 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 29.01.2001. 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.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.
6. Electronic copy of the full version of the Annual Report for the year 2015-16 and the Notice of the 49th AGM are being sent to all the members whose E-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their E-mail address, physical copies of the Abridged Annual Report for the year are being sent in the permitted mode. These members are requested to register their E-mail IDs with the DP/RTA as detailed in the Annual Report.
7. Full version of the Report and the Notice of the AGM are available on the Company's website viz, www.modipon.net. Members desirous of receiving the complete annual report may send a request in writing to the Registrar or the Company.
8. Members are to inform of their current email ID to the Company in compliance of Green Initiative as per Ministry of Corporate Affairs' circular on the subject.
9. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2016 to 30th September, 2016 (both days inclusive).
11. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed hereto.
12. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the provisions of the Companies

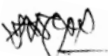
(Management & Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is providing the members with the facility to cast their vote electronically from a location other than the venue of the Annual General Meeting ("Remote e-voting"). The Company has engaged National Securities Depository Limited ("NSDL") to provide to the Members three-voting platform and services for casting their vote through remote E-voting on all resolutions set forth in this Notice.

The instructions for remote e-voting are as under :

- (i) Members whose shareholding is in the dematerialized form and whose email addresses are registered with the Company/ Depository Participant(s) will receive an email from NSDL informing the User-ID and Password. Thereafter, the following steps are to be followed :-
 1. Open email and open PDF file viz. " Modipon Limited remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
 2. Launch internet browser by typing the following URL:<https://www.evoting.nsdl.com>.
 3. Click on Shareholder – Login.
 4. Put user ID and password as initial password noted in step (1) above. Click Login.
 5. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 6. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 7. Select "EVEN" (E Voting Event Number) of Modipon Limited.
 8. Now you are ready for remote e-voting as Cast Vote page opens.
 9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 10. Upon confirmation, the message "Vote cast successfully" will be displayed.
 11. Once you have voted on the resolution, you will not be allowed to modify your vote.
 12. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signatures of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail akgoel@modimangal.in with a copy marked to evoting@nsdl.co.in.
- (ii) For Members holding shares in dematerialized form whose email IDs are not registered with the Company/Depository Participants, Members holding shares in physical form as well as those Members who have requested for a physical copy of the Notice and Annual Report, the following steps may be noted:
 1. To refer to the attached instruction sheet for the e-voting particulars viz. initial password along with EVEN (E voting Event Number) and USER ID.
 2. Please follow all steps from Sr. No. 2 to Sr. No. 10 of (i) above, to cast vote.
- (iii) In case of any query, you may refer to the Frequently Asked Questioned (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll-free no. 1800-222-9900.
- (iv) Login to the remote e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.
- (v) If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote.

- (vi) You can also update your mobile number and e-mail ID in the user profile details of the folio, which may be used for sending future communication(s).
13. The remote e-voting period commences on 27th September, 2016 (at 9:00 a.m.) and ends on 29th September, 2016 (at 5:00 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
14. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital (in case of electronic shareholding) of the Company as on the cut-off date of 23rd September, 2016.
15. Only such person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 23rd September, 2016, shall be entitled to avail the facility of remote e-voting/ voting by ballot at AGM.
16. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date, i.e. 23rd September, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, Mas services Limited mentioning his/her Folio Number/DPID and Client ID. However, if you are already registered with NSDL for remote e-voting, then you can use your existing ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.
17. The facility for voting through ballot paper shall be made available at the AGM and only such Members attending the Meeting who have not cast their vote by remote e-voting earlier, shall be entitled to exercise their right at the Meeting through ballot paper.
18. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
19. In case of joint holders, attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the Meeting.
20. Pursuant to the provisions of Section 108 of the Companies Act, 2013, Mr. Ranjeet Kumar Verma, Company Secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as voting through ballot paper at the AGM in a fair and transparent manner.
21. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of Ballot Paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
22. The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the Meeting and thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
23. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.modipon.net and on the website www.evoting.nsdl.com of NSDL after the same is declared by the Chairman/authorized person.
24. The results shall also be simultaneously forwarded to the Stock Exchange.
- 25. MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT AND ADMISSION SLIP TO THE MEETING.**

By Order of the Board,
For Modipon Limited



(A. K. Goel)
Company Secretary

Place: New Delhi
Dated: 1st September, 2016

DIRECTORS' REPORT

To the Shareholders,

Your Directors have pleasure in presenting the 49th Annual Report with Audited Financial Statements for the financial year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

	2015-16 ₹ Lacs	2014-15 ₹ Lacs
Turnover	-	-
Other Income	325.18	28.14
Gross Profit (Loss)	(242.69)	(732.93)
Depreciation	0.62	0.39
Profit/(Loss) after Depreciation	(243.31)	(733.32)
Add/(Less) Exceptional Income/ (Losses)	815.38	485.69
Profit/(Loss) before Tax	572.07	(247.63)
Less/(Add) :		
Provision for Taxation- Fringe Benefit Tax	-	-
Extra Ordinary item Taxes for earlier years	64.99	-
Net Profit/(Loss) after Tax	637.06	(247.63)

CLOSURE OF MANUFACTURING OPERATIONS

As reported earlier, the industrial undertaking of the Company had 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.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

Subsequent to the date of financial statements, Punjab National Bank has been considering assignment of the residual dues of the company to an Asset Reconstruction Company.

CURRENT STATUS OF OPERATIONS

Since the Company owns substantial real estate, in its endeavour to rehabilitate the Company and to tap its resources to augment finances so as to be able to liquidate its huge liabilities and to utilize the surplus for taking up new business activity in the Company, as authorized by the Memorandum of Association of the Company, the Board of Directors of the Company had approved to commence Real Estate business. The Company proposes to commence Real Estate business at an opportune time.

BOARD MEETINGS

The Board of Directors met 4 times during the period of 12 months from 1st April, 2015 to 31st March, 2016. The Directors met on 28th May, 2015, 1st August, 2015, 10th November, 2015, and 12th February, 2016.

DIVIDEND

In view of the Losses suffered by the Company in the past, 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 Rs. 325.18 lacs from sale of old stocks etc. and has incurred a Loss after tax of Rs. 637.06 lacs after taking into account exceptional income.

PREFERENTIAL ISSUE OF SHARES

To clear the settled OTS dues of Punjab National Bank, the Company had availed a loan from M/s Modi Intercontinental P. Ltd. (a related party). The loan was repayable within one year. However, the Company could not repay the loan as yet. Therefore, the Company proposes to make a preferential allotment of 37,38,632 equity shares of the Company at a rate to be worked out as per SEBI Regulations to discharge the loan liability of Modi Intercontinental P. Ltd.

DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company at present has six members. After the last Annual General Meeting of the Company during the year there has been no change in the Board of Directors.

Mr. Manish K. Modi is the Managing Director of the Company. He was appointed for a period of five years with effect from 1st June, 2013 and the appointment as Managing Director was duly approved by the Central Government for a period of five years.

In order to comply with the requirement of Section 149(4) & (5) of the Companies Act, 2013, two Independent Directors were appointed by the members at the AGM of the Company held on 30.09.2014 for a period of five years. The terms of appointment of these Independent Directors were issued by the Managing Director of the Company. The above referred terms & conditions of the letter are available for viewing on the website of the Company viz. www.modipon.net.

KEY MANAGERIAL PERSONNEL

In pursuance of requirement of Section 203 of the Companies Act, 2013, Mr. Manish K. Modi, Managing Director, Mr. A.K. Goel, Company Secretary and Mr. Narayan C. Rout, Chief Financial Officer were designated as Key Managerial Personnel of the Company. Mr. Sushil Kumar Gupta the CFO appointed earlier had resigned from the service of the Company in December, 2015. The Board appointed Mr. Narayan Chandra Rout as Chief Financial Officer w.e.f. 1st June, 2016. Form DIR-12 in this regard was filed with the Registrar of Companies on 26.07.2016 vide SRN G08022451.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

As required under Section 149(7) all the Independent Directors on the Board of the Company have issued their annual declaration stating that they meet all the criteria of independence as required under the Act.

STOCK EXCHANGE LISTING

The Securities of the Company are listed with the Bombay Stock Exchange.

COMMITTEES OF THE COMPANY

A. AUDIT COMMITTEE

In compliance with Section 177 of the Companies Act, 2013 and Clause 49 (III) of the Listing Agreement, an Audit Committee consisting of two Independent Directors and two Non-executive Director has been constituted. Mr. Gaurav Sekhri is the Chairman of the said Committee with Mr. Vivek Gupta, Dr. M. K. Modi and Mr. Manoj Singh, being other members of the said Committee. The said Committee met on 28th May, 2015, 1st August, 2015, 10th November, 2015, and 12th February, 2016.

There were no occasions during the year where the Board of Directors did not accept the recommendations of the Audit Committee.

B. NOMINATION AND REMUNERATION COMMITTEE

In compliance with Section 178(4) and Clause 49(IV) of the Listing Agreement, the Company has constituted a Nomination & Remuneration Committee consisting of two Independent Directors and two Non-executive Directors. Mr. Gaurav Sekhri is the Chairman of the said Committee with Mr. Vivek Gupta, Dr. M.K. Modi and Mr. Manoj Singh as Members of the Committee.-

The said Committee met on 1st August, 2015.

The said Committee laid down the Policy on Remuneration stating therein the positive attributes required for the Managing Director, Independent Directors and Key Managerial Personnel. The said policy also states the modus operandi for determining the remuneration to the above said personnel. The Policy on remuneration of the Company can be viewed on the Company's website www.modipon.net.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with Section 178(5) of the Companies Act, 2013, the Company has a Stakeholders' Relationship Committee consisting of three members. Dr. M. K. Modi is the Chairman of the said Committee with Mrs. Aditee Modi and Gaurav sekhri as Members of the Committee.

The said Committee met on 12th February, 2016.

D. RISK MANAGEMENT COMMITTEE

In compliance with the requirement of Clause 49 of the Listing Agreement, the Company has also constituted a Risk Management Committee consisting of three members. Dr. M. K. Modi is the Chairman of the said Committee with Mr. Vivek Gupta and Mrs. Aditee Modi as Members of the Committee.-

The said Committee met on 12th February, 2016.

The said Committee laid down the Policy on Risk Management stating therein the objectives and purpose of the said policy. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving those risks which are material in nature and are associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on material risk related issues.

RISK MANAGEMENT POLICY

The Risk Management Policy of the Company can be viewed on the Company's website www.modipon.net.

VIGIL MECHANISM

In compliance with Section 177 (9) of the Companies Act, 2013 and Clause 49 (VIII) (H) (2) of the Listing Agreement, the Company has set up a whistleblower policy which can be viewed on Company's website www.modipon.net. In terms of the said policy the Directors and employees are given direct access to the Chairman of the Audit Committee to report on alleged wrongdoings.

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.

WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy, including vigil mechanism to report genuine concerns of grievances, providing direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases. The Whistle Blower Policy has been posted on the website of the Company www.modipon.net.

INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no material weakness was observed by the internal auditor of the Company. Even though the Company has in place adequate internal audit system which is commensurate with the operations of the Company, the testing and evaluation of internal financial control over financial reporting as mentioned in the guidance note of the Institute of Chartered Accountants of India is yet to be undertaken.

NOMINATION & REMUNERATION POLICY:

Nomination & Remuneration Policy of the company, as formulated and approved by Nomination and Remuneration Committee in its meeting held on 1st August, 2015, governs Directors' appointment including criteria for determining their qualifications, positive attributes, their independence and remuneration for the Directors, KMPs and other employees. The Nomination and Remuneration Policy is posted on Company's website www.modipon.net.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS:

Details of loan(s), guarantee and investments are given in the notes to Financial Statements.

PERSONNEL:

Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is applicable on listed companies.

The Company had only 1 employee as on 31.03.2016.

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 5 workmen who have not yet collected their payment) have been paid. These 5 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 had deposited the amount payable to them with DRT which in the absence of any claim by these workmen, has been released by DRT to PNB.

Details as required pursuant to MCA Notification G.S.R. 646(E) dated 30th June, 2016 Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employee was in receipt of remuneration of Rs. One Crore and Two Lacs or more per year throughout the year or Rs. Eight Lacs and Fifty Thousand per month for the part of the year.

Further, none of the employees holds by himself or along with his spouse and dependent children, not less than 2% of equity shares of the Company.

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

Particulars about Key Managerial Personnel

- a. Pursuant to the Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the information required to be disclosed by every Listed Companies in its Board Report are as follows:-

Name of Director/ KMP and Designation	Remuneration of Directors/ KMPs for FY 2015-16	% age increase in remuneration in FY 2015-16	Ratio of Remuneration to the median remuneration of employee	Comparison of the remuneration of the KMP against the performance of the company
Mr. Manish Kumar Modi – Managing Director*	Rs. 18,76,000	NIL	2.95*	The Company earned profit after tax of Rs. 637.06 lacs during 2015-16 as against loss of Rs. 247.63 during 2014-15
Mr. A.K. Goel – Company Secretary **	Rs. 15,72,000	N.A.**	2.47	
Mr. Sushil Gupta – Chief Financial Officer***	Rs. 5,77,000	N.A.***	0.91	

* The remuneration are within permissible limits as approved by MCA. There is no increase in remuneration during the year. Ratio calculated on basic salary.

** Appointed also as CS (KMP) w.e.f. 14th August, 2014, remuneration paid to him includes EPF and Medical Reimbursement. During the year an increment of 4% was granted to him as a CS.

*** Appointed also as CFO (KMP) w.e.f. 14th August, 2014, remuneration taken as above is for a period of 9 months. No increase was granted to him as a CFO.

- b. The Median remuneration (based on basic salary) of employees of the Company during the financial year 2015-16 was Rs. 6,36,000/-.
- c. The percentage increase in the median remuneration (based on basic salary) of employees in the financial year 2015-16 was 4%.
- d. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

Company's shares are not being regularly and actively traded since long in the stock exchange where the shares are listed hence no details are available.

- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Since Company is a non-operational company and in view of losses, nominal increase was made in the managerial remuneration while no increase is approved by the MCA in the remuneration of Managing Director.

- f. The key parameters for any variable component of remuneration availed by the directors: No variable component of remuneration was availed by the Directors of the Company.
- g. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

The highest paid Director in the Company is Mr. Manish Kumar Modi with annual remuneration of Rs. 18 Lac as per Shareholders' approval. There is no employee receiving remuneration in excess of the Director.

- h. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

FIXED DEPOSITS

At the beginning of the financial year, the balance on account of Fixed Deposits accepted from the Public and Members stood at Rs. Nil. There was no deposit liable to be transferred to the credit of Investors' Education and Protection Fund.

The Company has not accepted any deposits during the year as envisaged under Sections 73, 74 & 76 of the Companies Act, 2013.

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.

After the last Annual General Meeting of the Company during the year there has been no change in the Board of Directors.

AUDITORS AND AUDIT REPORT

At the last Annual General Meeting, M/s. S.R. Dinodia & Co. LLP, Chartered Accountants, New Delhi (Firm Regn. No.001478N/ N500005) were appointed as Statutory Auditors of the Company for a term of five years i.e. from the conclusion of 47th Annual General Meeting until the conclusion of the 52nd Annual General Meeting of the Company at a fee of Rs. 2,00,000/- plus applicable Service Tax etc. M/s S.R. Dinodia & Co., Chartered Accountants have, vide their letter dated 5th August, 2016, conveyed their unwillingness to continue as Auditors of the Company for the next year due to professional pre-occupation.

The Board of Directors have accordingly appointed M/s B.M. Chatrath & Co., Chartered Accountants, Noida (Firm Regn. No. 301011E) as Company's auditors to hold office until the conclusion of the Fifty Fourth Annual General Meeting.

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

In view of permanent closure of operations, the Company had applied for exemption from the requirement of Cost Audit. Accordingly, appointment of Cost Auditor is not envisaged.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, 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.
- (v) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SUBSIDIARY COMPANIES

The Company does not have any Subsidiary Company.

EXTRACT OF THE ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Extract of the Annual Return of the Company made up as at the end of the Financial Year i.e. 31st March, 2016 is attached by way of Annexure – 1 in Form MGT-9 to this report.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder,, the Company had appointed M/s. Ranjeet Verma & Associates., Practicing Company Secretary (FCS No. 6814, CP No.7463) of New Delhi as Secretarial Auditors of the Company for the period from 1st April, 2015 to 31st March, 2016.

M/s. Ranjeet Verma & Associates., have submitted their Secretarial Audit Report and have issued their certificate as per the prescribed format in MR-3 to the shareholders of the Company, which is annexed to this Report as Annexure -2. They have confirmed that the Company has proper board processes, a compliance mechanism in place and has also complied with the relevant statutes, rules and regulations applicable to the Company. They have also confirmed that the Company has complied with the necessary secretarial standards, as applicable.

For the Financial Year 2016-17 also Company has appointed M/s. Ranjeet Verma & Associates, Vaishali (Ghaziabad) as Secretarial Auditors of the Company.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, there have been no significant and material orders passed by any regulators/courts/tribunals that could impact the Company's operations in future.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the period under review, the Company has not made any loan to any third party as envisaged under Section 186 of the Companies Act, 2013.

The Company has not given any guarantee during the year.

RELATED PARTY TRANSACTIONS

As required under Section 188 of the Companies Act, 2013 and Clause 49 (VII) & (VIII) of the Listing Agreement, the Company places before the Audit Committee the list of related parties with

whom arrangements have been made for sharing of expenses of maintaining of Office and transactions of loan etc. The Audit Committee accords its omnibus approval for such related party transactions on an annual basis. The updates on the transactions with the related parties are placed before the audit committee on a quarterly basis. The details are also placed before the Board of Directors for its information.

As required under Clause 49 of the Listing Agreement, the Company has formulated a policy on related party transactions and the same was approved by the Audit Committee and the Board of Directors. The said policy has been uploaded on Company's website www.modipon.net.

All the transactions with the related parties entered into during the period under review have been in the ordinary course of business and at arms' length basis. There have been no material related party transactions entered into during this period which required the approval of the shareholders by way of special resolution. The details of related party transactions pursuant to Clause (h) of sub-section (3) of Section 134 of the Act, is enclosed in form no. AOC 2 as Annexure – 3.

FORMAL ANNUAL EVALUATION

As required under Section 134 (p) of the Companies Act, 2013 and Clause 49 (2) (B) (5) of the Listing Agreement the Board of Directors approved the evaluation criteria for evaluating the performance of the Board of Directors, its Committees and the performance of Independent Directors.

Accordingly, as required under Schedule IV of the Companies Act, 2013 and Clause 49 (II) (B) (6) of the Listing Agreement, the Independent Directors evaluated performance of the non-independent Directors and the Board as a whole. They also reviewed the performance of the Chairman of the Company and also assessed the quality, quantity and timelines of flow of information between the Company Management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

Also, as required under Clause 49 of the Listing Agreement, the Board assessed the performance of the Independent Directors as per the criteria laid down and have recommended their continuation on the Board of the Company.

The Board of Directors assessed the performance of the individual Directors on the Board based on parameters such as, relevant experience and skills, ability and willingness to speak up, focus on shareholder value creation, governance standards, knowledge of business, processes and procedures followed, openness of discussion/integrity, relationship with management, impact on key management decisions etc. The members of the Committee of Audit, Nomination & Remuneration and Stakeholders Relationship were also assessed on the above parameters and also in the context of the Committee's effectiveness vis-à-vis the Act and the listing requirements.

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.

The Company has also adopted the mandatory policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Employees have been sensitized on the provisions of this enactment and the Company has also constituted an internal complaints committee with effect from 28th May, 2015 to deal with complaints, if any, under the said Act. There was no complaint received during the year to report.

ADEQUACY OF INTERNAL CONTROLS

Your Company has in place adequate internal control systems combined with delegation of powers and periodic review of the process. The control system is also supported by internal audits and management reviews with documented policies and procedures.

ISSUE OF SHARES

During the year under review, the Company has not issued any

i) Individual Shareholders holding nominal share capital upto Rs.1.00 Lakh.	362660	313682	676342	8.63	364789	310973	675762	8.62	-0.01
ii) Individual Shareholders holding nominal share capital in excess of Rs.1.00 Lakh	155128	94299	249427	3.18	120430	94299	214729	2.74	-0.44
c) Others (NRIs/OCB)	2873	550	3423	0.04	41363	550	41913	0.53	+0.49
d) Any Others (Clearing Members)	487	-	487	0.01	550	-	550	0.01	-
Sub Total (B)(2)	682592	893173	1575765	20.10	685301	890464	1575765	20.10	No change
Total Public Share-holding (B) = (B)(1) + (B)(2)	1994632	900698	2895330	36.94	1997341	897989	2895330	36.94	No change
Total (A) + (B)	6923929	914128	7838057	100.00	6926638	911419	7838057	100.00	No change
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+b+c)	6923929	914128	7838057	100.00	6926638	911419	7838057	100.00	No change

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's name	Shareholding at the beginning of the year (as on 01.04.2015)			Shareholding at the end of the year (as on 31.03.2016)			
		No. of shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to total shares*	No. of shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to total shares*	% change in share-holding during the year.
PROMOTERS/PERSONS HAVING CONTROL OVER THE COMPANY:								
1.	Smt. Ginni Devi Modi	2524	0.03	-	2524	0.03	-	No change
2.	Dr. Mahendra Kumar Modi	211	0.00	-	211	0.00	-	No change
3.	Dr. Mahendra Kumar Modi (HUF)	28302	0.36	-	28302	0.36	-	No change
4.	Smt. Veena Modi	259925	3.32	-	259925	3.32	-	No change
5.	Shri Manish Kumar Modi	39339	0.50	-	39339	0.50	-	No change
6.	Ms. Ruchika Modi	5458	0.07	-	5458	0.07	-	No change
7.	Smt. Aditee Modi	5448	0.07	-	5448	0.07	-	No change
PROMOTER GROUP/PERSONS ACTING IN CONCERT (Bodies Corporate)								
8.	Daisy Investment Pvt. Ltd.	730939	9.33	-	730939	9.33	-	No change
9.	Status Mark Finvest Limited	966673	12.33	-	966673	12.33	-	No change
10.	Modi Intercontinental Pvt. Ltd.	46445	0.59	-	46445	0.59	-	No change
11.	Modi Industries Limited	700000	8.93	-	700000	8.93	-	No change
12.	Ashoka Mercantile Limited	855489	10.91	-	855489	10.91	-	No change
13.	U.P.State Indl. Dev. Corp. Ltd.	1301974	16.61	-	1301974	16.61	-	No change

Undertakings for Non-disposal of Shareholding are given to Fls/Banks.

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.		Shareholding at the beginning of the year (as on 1 st April, 2015)		Cumulative Shareholding during the year (as on 1 st April, 2015 to 31 st March, 2016)	
		No. of shares	% of total shares of the company.	No. of shares	% of total shares of the company.
	At the beginning of the year	4942727	63.06	-	-
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	No change during the year			
	At the end of the year.	4942727	63.06		

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (1.4.2015)/ end of the year (31.3.2016)	% of total shares of the company.				No. of shares	% of total shares of the company.
1.	AMPS Investment Fund Limited (Formerly Know as Mavi investment Pvt. Ltd.	776009	9.90	01.04.2015	-	Nil movement during the year.		
		776009	9.90	31.03.2016	-		776009	9.90
2.	Rajputana Fertilizers Limited	460334	5.57	01.04.2015	-	Nil movement during the year.		
		460334	5.57	31.03.2016	-		460334	5.57
3.	Creasta Fund Limited	339295	4.33	01.04.2015	-	Nil movement during the year.		
		339295	4.33	31.03.2016	-		339295	4.33
4.	Life Insurance Corporation of India	196636	2.51	01.04.2015	-	Nil movement during the year.		
		196636	2.51	31.03.2016	-		196636	2.51
5.	Laoleen Investment Pvt. Ltd.	41596	0.53	01.04.2015	-	Nil movement during the year.		
		41596	0.53	31.03.2016	-		41596	0.53
6.	Umesh Kumar Modi	38290	0.49	01.04.2015	-	Nil movement during the year.		
		38290	0.49	31.03.2016	-		38290	0.49
7.	Sudha Commercial Company Ltd.	35900	0.46	01.04.2015	-	Nil movement during the year.		
		35900	0.46	31.03.2016	-		35900	0.46
8.	Anupam Securities (P) Ltd.	33730	0.43	01.04.2015	-	Nil movement during the year.		
		33730	0.43	31.03.2016	-		33730	0.43

9.	Chandra Bala Modi	33480	0.43	01.04.2015	-	Nil movement during the year.	33480	0.43
		33480	0.43	31.03.2016	-			
10	Spice Enfortainment Limited	32506	0.41	01.04.2015	-	Nil movement during the year.	32506	0.41
		32506	0.41	31.03.2016	-			

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (1.4.2015)/ end of the year (31.3.2016)	% of total shares of the company.				No. of shares	% of total shares of the company.
A. DIRECTORS								
1.	Mahendra Kumar Modi, Chairman-Promoter	211	0.00	01.04.2015	-	Nil movement during the year		
		211	0.00	31.03.2016	-		211	0.00
2.	Manish Kumar Modi, Managing Director-Promoter	39339	0.50	01.04.2015	-	Nil movement during the year		
		39339	0.50	31.03.2016	-		39339	0.50
3.	Aditee Modi, NED-Promoter	5448	0.07	01.04.2015	-	Nil movement during the year		
		5448	0.07	31.03.2016	-		5448	0.07
B. Key Managerial Personnel (KMP's)								
1.	Sushil Kumar Gupta Chief Financial Officer	Nil	0.00	01.04.2015	-	31.12.2015 left		
		Nil	0.00	31.03.2016	-		Nil	0.00
2.	Anil Kumar Goel Company Secretary	20	0.00	01.04.2015	-	Nil movement during the year		
		20	0.00	31.03.2016	-		20	0.00

V. INDEBTEDNESS:
Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in thousands)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 01.04.2015)				
(i) Principal Amount	161103	185072	0	346175
(ii) Interest due but not paid		15115		15115
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	161103	200187	-	361290
Change in Indebtedness during the financial year				
• Addition	-	9487	-	9487
• Reduction	-56527	-112557		-169084
Net Change	-56527	-112557		
Indebtedness at the end of the financial year (as on 31.3.2016)				
(i) Principal Amount	104576	72515	0	177091
(ii) Interest due but not paid	0	24602	0	24602
(iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	104576	97117	0	201693

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rupees in thousands)

Particulars of Remuneration	Manish Kumar Modi	Total Amount
Gross Salary		
Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	1537.20	1537.20
Value of perquisites u/s 17(2) of the I.T.Act, 1961	338.79	338.79
Profits in lieu of salary u/s 17(3) of the I.T. Act, 1961.	-	-
Stock Option	-	-
Sweat Equity	-	-
Commission:		
- as % of profit	-	-
- others, specify.....	-	-
Others, please specify.....	-	-
Total (A)	1875.99	1875.99

B. Remuneration to other Directors:

(Rupees in thousands)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mahendra Kumar Modi	Aditee Modi	Gaurav Sekhri	Vivek Gupta	(Manoj Singh) UPSIDC	
1.	Independent Directors #						
	• Fee for attending board / committee meetings	-	-	30	30	20	80
	• Commission	-	-	-	-	-	-

	• Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	30	30	20	80
2.	Other Non-Executive Directors						
	• Fee for attending board / committee meetings	-	20	-	-	-	20
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)	-	20	-	-	-	20
	Total (B)=(1+2)	-	20	30	30	20	100
	Total Managerial Remuneration						*1975.99
	Overall Ceiling as per the Act						

* Total remuneration to Managing Director and other Directors (being the total of A and B)

C. Remuneration to Key Managerial Personnel other than MD: (Rupees in Thousands)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO (Sushil Kumar Gupta)*	Company Secretary (Anil Kumar Goel)**	Total
1.	Gross Salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	577.00	1832.92	2409.92
(b)	Value of perquisites under Section 17(2) of the Income Tax Act, 1961.		.44	.44
(c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961.	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, please specify.....	-	-	-
5.	Others, please specify	-	-	-
	Total	577.00	1833.36	2410.36

* Appointed Chief Financial Officer (CFO) by the Board of Directors in its meeting held on 14th August, 2014.

** Appointed as Company Secretary by the Board of Directors in its meeting held on 14th August, 2014.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016)

[Pursuant to Section 204(1) of the companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

To,

The Members,

MODIPON LIMITED

We have conducted the secretarial audit of the companies of applicable statutory provisions and the adherence to good corporate practices by **MODIPON LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/Statutory Compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms, and returns filed and other records maintained by **MODIPON LIMITED** ("the Company") for

the financial year ended on March 31, 2016 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made there under.
- The Securities Contracts (Regulations) Act, 1956 (SCRA) and the rules made there under;
- The Depositories Act, 1996 and the regulations and bye-laws framed there under;
- Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of foreign direct investment, overseas direct investment and external commercial borrowing;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and Dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (i) Some other laws especially applicable to the company-

Since the company is not under operation, hence most of the acts which would be specifically applicable on this sector are not applicable on this situation.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Ltd;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

As per Companies Act

1. Non-maintenance of company website

As per requirements under Companies Act, 2013 and Listing agreements, company has to maintain its website and to maintain with all its updated records as per act and listing requirements.

We observed that the company's website has developed some technical snag and is being recasted so as to be able to upload/publication of all documents as per requirement of acts and listing agreement.

2. Online submission of documents

During audit we observed that company has been filing physical documents to stock Exchange which is against rule 10 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) on September 2, 2015.

It was observed from the records of the company that it has duly applied to Bombay Stock Exchange for allotment of online ID and password to enable it to electronically upload the documents on the website of Bombay Stock Exchange. However, the same has not yet been provided to the company. Hence the documents have been filed physically.

Other Relevant Matters

During the year in our opinion, and to the best of our information and according to the records and explanation provided to us, we have found

the following litigation pending in the court.

1. Litigation filed by Gujarat State Fertilizers & Chemicals Limited in the court of Vadodara for the recovery of due amount.

Amount Due-224783286/-

Principal Amount-123149933/-

Interest Amount-101633353/-

2. **Criminal Complaints- 30** Criminal complaints have been filed by Gujarat State Fertilizers & Chemicals Limited for bouncing of 90 cheques vide complaint no.-279 to 308/08.
3. **19 Cases** have been filed by the company against the illegal occupants of the company's residential quarter.
4. **6 cases** have been filed by the workers of the company regarding the termination, misconduct and pre retirement.

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Further, I report that there were no instances of:

- I. Public/Right/Preferential issue of shares / debentures / sweat equity etc
- II. Redemption / buy back of securities
- III. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.

**FOR RANJEET VERMA & ASSOCIATES
COMPANY SECRETARIES**

Sd/-

**CS RANJEET KUMAR VERMA
PROPRIETOR**

M.No. - FCS6814

CP No. - 7463

ANNEXURE-3' TO DIRECTORS' REPORT

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. NIL


SL. No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	
(b)	Nature of contracts/arrangements/ transactions	
(c)	Duration of the contracts/ arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A.
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions* at Arm's length basis.

SL. No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	N.A.
(b)	Nature of contracts/ arrangements / transactions	N.A.
(c)	Duration of the contracts/ arrangements/transactions	N.A.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A.
(e)	Date(s) of approval by the Board, if any	N.A.
(f)	Amount paid as advances, if any	N.A.

* Definition of term 'material contracts or arrangement or transactions' is taken as per Clause 49 of the listing agreement with the stock exchanges.

For & on behalf of the Board


(Manish K. Modi)
(DIN-00030036)
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, 2016 comprises of Six Directors, out of which one is Chairman and one is Managing Director and Four Non-Executive Directors. The Company has a Whole-time Chairman and therefore as required under clause 49, one half of the Board should comprise of Independent Directors. Whereas Dr. M. K. Modi is Chairman and Mr. Manish K. Modi is managing Director and both are promoters. Mr. Gaurav Sekhri, Mr. Vivek Gupta and Mr. Manoj Singh, I.A.S. are Independent Directors. Mrs Aditee Modi is a promoter Woman Director. Directors are appointed/ re-appointed with the approval of the Shareholders for a period of five years at a time and are eligible for re-appointment in terms of Article 105 of the Articles of Association of the Company. Out of four Non-Executive Directors, one Director is Managing Director of UPSIDC Limited and other Directors are professionally qualified 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 other qualified directors, 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 83% 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, 2016, 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-Promoter	3	2	-	211
Mr. Manish K. Modi	MD-Promoter	4	2	-	39,339
Mrs. Aditee Modi	NED-promoter	1	-	-	5,448
Mr. Manoj Singh	NED-Independent	3	-	-	-
Mr. Gaurav Sekhri	NED-Independent	1	-	-	-
Mr. Vivek Gupta	NED-Independent	7	3	-	-

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, 2016, four Board Meetings were held on 28th May, 2015, 1st August, 2015, 10th November, 2015, and 12th February, 2016. The last Annual General Meeting was held on 30.09.2015. 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	3	Yes
Mr. Manish K. Modi	4	Yes
Mr. Manoj Singh	2	No
Mr. Gaurav Sekhri	3	No
Mr. Vivek Gupta	3	No
Mrs. Aditee Modi	4	Yes

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 4 Non-Executive Independent Directors, namely, (1) Mr. Gaurav Sekhri, as Chairman; (2) Mr. Vivek Gupta, as Member

(3) Dr. M. K. Modi, as Member (4) Mr. Manoj Singh, 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, Partner/other Representatives of the Firms of Statutory Auditors also attend the Meetings on the invitation of the Chairman of the Committee.

The text of the Charter which describes the terms of reference of the Audit Committee is available on the Company's website.

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, debenture holders, 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.

The Committee Members have also reviewed the performance of the Committee and the performance of its members at its meeting held on 1st September, 2016.

During the year ended 31st March, 2016 four Meetings were held on 28th May, 2015, 1st August, 2015, 10th November, 2015, and 12th February, 2016 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. Gaurav Sekhri	3 on 28.05.2015, 1.08.2015 and 10.11.2015
Mr. Vivek Gupta	3 on 28.05.2015, 1.08.2015 and 12.02.2016
Mr. Manoj Singh	2 on 28.05.2015 and 12.02.2016
Dr. M. K. Modi	3 on 1.08.2015, 10.11.2015 and 12.02.2016

D. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee constituted comprises of Mr. Gaurav Sekhri, Mr. Vivek Gupta, Dr. M. K. Modi, Mr. Manoj Singh 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 Rs.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, 2016 was as under: (Rs. Lacs)

Directors	Salary	Commission	Perquisites and Retirement Benefits	Sitting Fees
Dr. M. K. Modi	-	-	-	-
Mr. Manish K. Modi	-	-	-	-
Mr. Gaurav Sekhri	-	-	-	0.30
Mr. Vivek Gupta	-	-	-	0.30
Mrs. Aditee Modi	-	-	-	0.20

In addition to the above Rs.0.20 lac was paid to UPSIDC Limited towards the Sitting Fees in respect of Meetings attended by their Nominee Director.

REMUNERATION POLICY

The salient features of the policy inter alia are to :

- attract, recruit and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes and independence of the Directors of the Company;
- ensure that the remuneration of the Directors, Key Managerial Personnel and other employees is performance driven, motivates them, recognizes their merits and achievements and promotes excellence in their performance;
- motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- ensure a transparent nomination process for Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency and sustained long-term value creation for its stakeholders.

Performance Evaluation of Independent Directors

As required under Section 134(p) of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors assessed the performance of the Independent Directors as per the criteria laid down and have recommended their continuation on the Board of the Company.

The Board of Directors assessed the performance of the Independent Directors on the Board based on parameters such as, relevant experience and skills, ability and willingness to speak-up, focus on shareholder value creation, high governance standards, knowledge of business, processes and procedures followed, openness of discussion/integrity, relationship with management, impact on key management decisions etc. The Members of the Committee of audit, nomination & remuneration, stakeholders relationship, and risk management were also assessed on the above parameters and also in the context of the committee's effectiveness vis-a-vis the Act and the SEBI regulation requirements.

The Directors were satisfied with the evaluation results, which reflected the overall engagement and the effectiveness of the Board and its Committees.

E. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee comprises of Dr. M. K. Modi, Chairman and Mrs. Aditee Modi and Mr. Gaurav Sekhri 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 31.03.2016 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. RISK MANAGEMENT COMMITTEE

In compliance with Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee consisting of Dr. M.K. Modi as Chairman and Mrs. Aditee Modi and Mr. Vivek Gupta as members and Mr. A.K. Goel is the Secretary of the Committee.

The said Committee was constituted under the Act with effect from 15th January, 2015.

The Committee has laid down the Policy on Risk Management and its mitigation. The Policy on Risk Management of the Company can be viewed on Company's website www.modipon.net.

G. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met during the year on 12th February, 2016 to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company and had assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Board of Directors had during their meeting held on 1st September, 2016 reviewed the individual performance of all the Independent Directors as per the standard criteria laid down. The Independent Directors whose performance was reviewed by the Board, excused themselves from attending that part of the meeting as required under the statute.

H. 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
31.03.2015	AGM	Alok Park Club Alok Park, Modinagar	30.09.2015	1.00 P.M.	1
31.03.2014	AGM	Alok Park Club Alok Park, Modinagar	30.09.2014	1.00 P.M.	2
31.03.2013	AGM	Alok Park Club Alok Park, Modinagar	27.09.2013	1.00 P.M.	1

I. 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 184 of the Companies Act, 2013 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 No. 32 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:

- Chairman of the Board
The Company has a Chairman.
- Remuneration Committee
The Company has constituted a Remuneration Committee, the details of which are provided in this Report.
- Shareholders' Rights
Half-yearly Financial Results including summary of the significant events are presently not being sent to Shareholders of the Company.
- 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

Policy has been framed for evaluation of Non-Executive Directors.

7. Whistle Blower Policy.

The Company has a Whistle Blower Policy.

J. 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 Naya India.

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

K. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting

Date and Time : 30.09.2016 at 04.00 P.M.

Venue : Modipon Compound.

Opposite Nagar Palika, Hapur Road,
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

24th September, 2016 to 30th September, 2016 (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 2016-17.

Stock Code (BSE) : 503776

Demat ISIN No. in NSDL & CDSL : INE170C01019

6. Stock Price Data

Month	The Bombay Stock Exchange Limited	
	High	Low
	Rs. Per Share	Rs. Per Share
April, 2015	13.11	9.01
May, 2015	12.51	9.80
June, 2015	12.28	8.71
July, 2015	11.84	9.49
August, 2015	10.51	9.50
September, 2015	11.03	10.25
October, 2015	13.40	10.50
November, 2015	12.73	12.10
December, 2015	12.00	11.50
January, 2016	12.06	10.95
February, 2016	-	-
March, 2016	11.46	11.00

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, 2016 no Shares were pending for transfer for more than 15 days. Pursuant to Regulation 40(9) SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. 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, 2016:

No. of Equity Shares held	No. of Shareholders	Percentage of Shareholders	No. of Equity Shares held	Percentage of Shareholding
1 - 500	7,545	97.72	4,99,650	6.38
501 - 1000	95	1.23	72,534	0.93
1001 - 2000	24	0.31	36,105	0.46
2001 - 3000	8	0.10	19,927	0.25
3001 - 4000	4	0.05	14,214	0.18
4001 - 5000	6	0.08	27,546	0.35
5001 - 10000	8	0.11	49,626	0.63
10001 and above	31	0.40	71,18,455	90.82
Total	7,721	100.00	78,38,057	100.00

Pattern of Shareholding by Ownership as on 31st March, 2016:

Category	No. of Shareholders	Total No. of Shares	No. of shares held in demat Form	% of Shareholding
A. Shareholding of Promoters and Promoters Group				
Individuals/Hindu Undivided Family	07	3,41,207	3,27,777	4.35
Bodies Corporate	06	46,01,520	46,01,520	58.71
Sub Total (A)	13	49,42,727	49,29,297	63.06
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	97	6,42,811	1,58,169	8.20
Individuals holding nominal share Capital upto Rs. Two lakhs	7,571	7,72,441	3,90,110	9.85
Individuals holding nominal shares capital in excess of Rs. Two lakhs	4	1,18,050	95,109	1.51
NRIs/OCB	20	41,913	41,363	0.53
Clearing Members	03	550	550	0.01
Sub Total (B)(2)	7,695	15,75,765	6,85,301	20.10
Total Public Shareholding (B)=(B)(1)+(B)(2)	7,707	28,95,330	19,97,341	36.94
Total A + B	7,720	78,38,057	69,26,638	100.00

9. Dematerialisation of Shares

There were 3,187 Shareholders holding 69,26,638 shares in dematerialised form, which constitutes 88.37% of the Paid up Equity Share Capital of the Company as on 31st March, 2016. 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.

The declaration by the Chairman and the Managing Director under Clause 49 affirming compliance of the Code of Conduct by all members of the Board and the Senior Management Personnel for the year ended 31st March, 2016 is attached to this Corporate Governance Report.

12. CEO/CFO Certification

Certificate in compliance with Clause 49(V) of the Listing Agreement signed by Mr. Manish. K. Modi, Managing Director and Group Head-Corp. Affairs in respect of Modipon Limited was placed before the Board of Directors at its Meeting held on 1st September, 2016.

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 to Equity Shares, i.e. Demat, Remat, Consolidation, transmission, issue of Duplicate share certificates, change of Address, etc.	MAS Services Limited T-34, Okhla Indl. Area, Ph-II, New Delhi - 110 020	Tel. 011-26387281-83 Fax 011-26387384 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. 01232-661800, 661900 Fax 01232-661888

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, 2016.

For and on behalf of the Board,


(Manish K. Modi)
Managing Director


(M. K. Modi)
Chairman

New Delhi
1st September, 2016

**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, 2016, 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, 2016 as stipulated in the above mentioned Listing Agreement *except of the following conditions of Corporate Governance:*

- (i) *As per clause 49(1)(A)(iii), read with explanation, 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 in Explanation II to the aforesaid clause. As UPSIDC Limited, one of the promoters of the Company, is not a notified Financial Institution within the meaning of the aforesaid explanation, its nominee shall not be treated as an Independent Director. In view of this, the one number of independent Directors in the composition of board of directors and audit committee of the Company is less than the stipulated number of members as per clause 49 of Corporate Governance. And*
- (ii) *The audit committee chairman was also not present in the annual general meeting of the Company held on 30th September, 2015.*

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 Ranjeet Verma & Associates
Company Secretaries,

Sd/-
(Ranjeet Kumar Verma)
Proprietor
(Membership No. 6814)

Place: New Delhi
Dated: 1st September, 2016

INDEPENDENT AUDITOR'S REPORT

To The Members of Modipon Limited Report on the Financial Statements

We have audited the accompanying financial statements of **Modipon Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

1. *Balance confirmation certificates were not obtained by the Company from creditors, loans and advances given/received, house/shop security depositors, in-operative current accounts with banks and loan account with Punjab National Bank (PNB). Consequent adjustments required, if any, has not been carried out in the financial results. [Refer Note No. 24]*
2. (a) *The Company has not provided interest of ₹ 1000.54 Lakhs up to March 31, 2008 on overdue amounts payable to a supplier resulting in understatement of liabilities and debit balance of reserve and surplus by ₹ 1000.54 Lakhs each; and (b) the amount of interest to be provided for in the books of account for the period April 1, 2008 to March 31, 2016 has not been ascertained. [Refer Note No. 23(d)]*

3. *The amount of interest to be provided for in the books of account, if any, for the period April 1, 2007 to March 31, 2016 to Small and Micro Enterprise has not been ascertained. [Refer Note No. 28]*
4. *During the year ended March 31, 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 of bank is pending. [Refer Note No. 30(b)]*
5. *During the year 2011-12, the Company has given physical possession of its vacant 59 (46 as on March 31, 2015) 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 March 31, 2015 as per books of account: secured loan ₹ 882.29 Lakhs and unsecured loan ₹1125.57 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 security only as the Company was unable to repay the loans taken from AML. [Refer note to Note No. 32(c)]*
6. (a) *In the earlier years, Punjab National Bank (PNB) had approved one time settlement of its outstanding dues of ₹ 1900 lacs vide its approval letters dated April 02, 2014 and April 12, 2014. The company had paid ₹ 930 lacs till June 30, 2015. However as the Company could not make payment as per agreed terms of OTS, hence application of revival of OTS was again approved by PNB vide its letter dated July 02, 2015. The agreed revise payments terms are as under:*
 - ₹ 200 lacs by September 30, 2015
 - ₹ 200 lacs by December 31, 2015 and
 - ₹ 570 lacs by March 31, 2016.
 - The entire amount of interest @ 10.25% (Simple) along with expenses of ₹ 5.54 lacs are to be paid by June 30, 2016.

Further from July 01, 2015, the company has paid ₹ 870 lacs till March 31, 2016 and balance OTS amount of ₹ 100 lacs remain to be paid/cleared.

Since the Company is unable to fulfil the agreed terms of OTS, we are unable to comment on the implication of same on the financials of the Company.
- (b) *The outstanding liability in the books of the company is higher than the OTS amount by ₹183.90 lacs. However, interest on OTS amount has been provided as per the agreement amounting to ₹ 91.89 lacs for the year ended March 31, 2016.*
- (c) *Had the interest been provided as per original terms on the principal amount the interest for the year ended on March 31, 2016 would have been higher by ₹ 491.15 lacs (₹ 1867.45. lacs for the period April 01, 2009 to March 31, 2016). [Refer Note 31(b)].*
7. *As stated in note [31(d)(i) and (ii)], the amounts paid by the assignee i.e. Ashoka Mercantile Limited (AML), a related party, to Abu Dhabi Commercial Bank (ADCB) on account of One Time Settlement (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 successful implementation of OTS of the dues of PNB as the settlement of assigned dues with AML is linked to the OTS of dues with PNB.*
8. *As stated in note [31(c)(i)], the amount paid to Karnataka Bank by Ashoka Mercantile Limited (AML), a related party, during the year ended March 31, 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 successful implementation of OTS of the dues of PNB as the settlement of dues with AML is linked to the OTS of dues with PNB.*
9. *As stated in note [31(c)(ii)], the part payment made to Bank of Baroda by Ashoka Mercantile Limited (AML), a related*

party, during the year ended March 31, 2013 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 Bank of Baroda by AML and the Company and the balance amount of ₹ 232.04 Lakhs is still lying unallocated under unsecured loans in view of pending successful implementation of OTS of the dues of PNB as the settlement of dues with AML is linked to the OTS of dues with PNB.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in paragraphs in the 'Basis for Qualified Opinion', the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and cash flows for the year ended on that date.

Emphasis of Matter

The above financial results of the Company for the year ended March 31, 2016 has not been prepared on a going concern basis since the Company has closed its manufacturing operations since May 19, 2007 (closure of factory w.e.f. September 8, 2007) on account of huge losses incurred and sale of entire plant & machinery during the year ended March 31, 2010. [Refer Note No. 25]

Our opinion is not qualified in respect of this matter.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) In our opinion there are no financial transactions or matters that may have adverse effect on the functioning of the Company.
 - (f) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. On the basis of written representations received from the management of the Company, the Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 23(vi) to the financial statements.

- ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Regn. No. 001478N/N500005

Sd/-
(Sandeep Dinodia)
Partner
M. No. 083689

Place : New Delhi
Date: 28th May, 2016

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENT OF MODIPON LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") We have audited the internal financial controls over financial reporting of **Modipon Limited ("the Company")** as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

According to the information and explanation given to us, the Company has not established its internal financial controls over financial reporting on criteria based on or considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company has adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2016.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and disclaimer does not affect our opinion on the financial statements of the Company.

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Regn. No. 001478N/N500005

Sd/-
(Sandeep Dinodia)
Partner
M. No. 083689

Place : New Delhi
Date: 28th May, 2016

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2016; we report that:

- i) In respect of fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at periodic intervals. In accordance with this programme for the year, no material discrepancies were noticed on such verification. In our opinion, such periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) On the basis of written representation received from the management of the Company, the title deeds of immovable properties held in the name of the Company are mortgaged with the Banks for securing the long term borrowings and credit limits raised by the Company. Following title deeds have not been provided to us:

(Amount in ₹ Lakhs)

Net book value of immovable property as on March 31, 2016 (A)	Title deeds available (B)	Title deed not available (A-B)
17.44	14.78	2.66

- ii) On the basis of information and explanation provided by the management, the Company does not any inventory therefore the provisions of paragraph 3 (ii) (a) to (b) are not applicable to the Company.
- iii) (a) to (c) According to the information and explanation given to us, the Company had not granted loans, secured or unsecured, to any of the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) According to the information and explanation given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of Investments made.
- v) The Company has not accepted any deposits from the public. Accordingly, the provisions of paragraph 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014 dated December 31, 2014 to the current operations carried out by the Company. Accordingly, the provisions of paragraph 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Income tax, Sales tax, Service tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, According to the information and explanations given to us following undisputed amounts payable in respect of Income tax, Sales tax, Service tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)
Sales Tax Laws	Sales Tax Payable-Branch	1.49
Sales Tax Laws	1% State Development Tax	.01
Sales Tax Laws	12%U.P.Trade Tax	2.83
Sales Tax Laws	2.5%U.P.Trade Tax	.01
Sales Tax Laws	3% Central Sales Tax	.06
Sales Tax Laws	Sales Tax	.01
Sales Tax Laws	8% U.P.Trade Tax	.01
Sales Tax Laws	Turnover Tax	.01
Sales Tax Laws	Vat Collection 4%	.02
Central Excise Laws	Excise Duty From Amount Payable	82.60
Income Tax Laws	Income Tax Deducted At Source	47.60
	Total	134.65

- (b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax, except the following, which have not been deposited on account of any dispute:

The Following are the particulars of above Dues on account of Sales Tax, duty of Excise, duty of Customs, Water Tax and Income Tax as at March 31, 2016 that have been disputed by the Company in Appeals pending before the Appellate Authorities

Name of the Statute	Nature of Dues	Amount (In Lacs ₹)	Period to which amount relates	Forum where dispute is pending
Sales Tax Laws	Sales Tax	94.22 1428.88 1010.75	2004-05 2005-06 2006-07	Commissioner (Appeal)
Sales Tax Laws	Sales Tax	1.41	1991-92	High Court
Sales Tax Laws	Sales Tax	12.43	2007-08	Addl. Commissioner
Customs Law	Custom Duty	74.66	1982-83	Asst. Commissioner
	Custom Duty	19.39	2002-03	Appellate Tribunal
The Uttar Pradesh Water Supply and Sewerage (Amendment) Act, 1999	Water Tax	7.11	1997-98 & 1998-99	Additional Civil Judge
Central Excise Law	Excise Duty	115.75	1983-84	High Court
Income tax Act, 1961	Non - Deduction of TDS	107-71 109.84	2006-07 to 2008-09	High Court ITAT/ Commissioner (A)
Civil Suit	Trade payables	95.08	2008-09	Delhi High Court
Civil Suit	Trade payables	18.13	2009-10	District Court, Saket, Delhi

- (c) On the basis of information and explanations given to us by the management, no amount was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

viii) In our opinion and according to the information and explanation given to us, the details of default in respect of dues to a bank are as under:

- (a) In the earlier years, Punjab National Bank (PNB) had approved one time settlement of its outstanding dues of ₹ 1900 lacs vide its approval letters dated April 02, 2014 and April 12, 2014. The company had paid ₹ 930 lacs till June 30, 2015. However as the Company could not make payment as per agreed terms of OTS, hence application of revival of OTS was again approved by PNB vide its letter dated July 02, 2015. The agreed revise payments terms are as under:

- ₹ 200 lacs by September 30, 2015
- ₹ 200 lacs by December 31, 2015 and
- ₹ 570 lacs by March 31, 2016.
- The entire amount of interest @ 10.25% (Simple) along with expenses of ₹ 5.54 lacs are to be paid by June 30, 2016.

Further from July 01, 2015, the company has paid ₹ 870 lacs till March 31, 2016 and balance OTS amount of ₹ 100 lacs remain to be paid/cleared.

Since the Company is unable to fulfil the agreed terms of OTS, we are unable to comment on the implication of same on the financials of the Company.

- (b) The outstanding liability in the books of the company is higher than the OTS amount by ₹ 183.90 lacs. However, interest on OTS amount has been provided as per the agreement amounting to ₹ 91.89 lacs for the year ended March 31, 2016
- (c) Had the interest been provided as per original terms on the principal amount the interest for the year ended on March 31, 2016 would have been higher by ₹ 491.15 lacs (₹ 1867.45 lacs for the period April 01, 2009 to March 31, 2016).

Further, No Debentures have been issued by the company during the year, therefore provisions of this clause is not applicable to the company.

- ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. However, the term loans taken during the year were applied for the purpose for which the same has been raised.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) The Company has paid/provided managerial remuneration in accordance with provisions of section 197 read with Schedule V to the Companies Act, 2013 as applicable to the Company.
- xii) The Company is not a Nidhi Company and hence, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.
- xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc, as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Regn. No. 001478N/N500005

Sd/-
(Sandeep Dinodia)
Partner
M. No. 083689

Place : New Delhi
Date: 28th May, 2016

BALANCE SHEET

As on 31st March, 2016

(₹ in Lakhs)			
Particulars	Note No.	As At 31.03.2016	As At 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	3	855.60	855.60
(b) Reserves and surplus	4	(8,715.04)	(9,352.10)
		(7,859.44)	(8,496.50)
(2) Non-current liabilities			
(a) Long-term borrowing	5	730.39	725.15
(b) Other Long Term Liabilities	6	2,000.81	2,186.67
(c) Long-term provisions	7	0.48	0.48
		2,731.68	2,912.30
(3) Current liabilities			
(a) Short-term borrowings	8	2,166.11	2,736.61
(b) Trade payables	9	-	-
-Total outstanding dues of micro and small enterprises		-	-
-Total outstanding dues of creditors other than micro and small enterprises		2,093.81	2,093.81
(c) Other current liabilities	10	1,161.91	1,068.89
(d) Short-term provisions	7	77.80	76.55
		5,499.63	5,975.86
TOTAL		371.87	391.66
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
Tangible assets	11	9.76	0.44
(b) Non-Current Investments	13	0.44	0.44
(c) Long Term Loan & Advances	14	27.73	27.14
(d) Other Non- Current Assets	15	60.37	57.42
		98.30	85.44
(2) Current assets			
(a) Fixed Asset held for disposal	12	237.57	260.42
(b) Cash and bank balances	16	6.87	28.89
(c) Short-term loans and advances	14	29.13	16.91
		273.57	306.22
TOTAL		371.87	391.66
Summary of Significant Accounting policies	2		

STATEMENT OF PROFIT & LOSS

For the Year ended 31st March, 2016

(₹ in Lakhs)			
Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Income			
Other income	17	325.18	28.14
Total Revenue		325.18	28.14
Expenses			
Employee benefits expense	18	48.95	65.11
Finance costs	19	264.41	295.02
Depreciation and amortization expense	11	0.62	0.39
Other expenses	20	254.51	400.94
Total expenses		568.49	761.47
Profit/(Loss) before exceptional and extra-ordinary items and tax		(243.31)	(733.32)
Exceptional items:-			
Exceptional items	21	815.38	485.69
Profit before tax		572.07	(247.63)
Tax expense:			
Current Tax		-	-
Deferred Tax		-	-
Taxes for earlier years		(64.99)	-
Profit (Loss) of the year		637.06	(247.63)
Earnings per equity share:			
Basic	22	8.13	(3.30)
Diluted		8.13	(3.30)
Summary of Significant Accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our Audit Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

For & on behalf of Board of Directors of Modipon Limited

(Sandeep Dinodia)

Partner

M. No. 083689

(A.K. Goel)

Company Secretary

(Manish K. Modi)

Managing Director

DIN 00030036

(Mahendra Kumar Modi)

Chairman

DIN 000013594

Place : New Delhi

Dated : 28th May, 2016

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount ₹ in Lakhs)			(Amount ₹ in Lakhs)		
Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015	Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015
A. Cash Flow from operating activities			C. Cash flow from Financing Activities		
Net Profit before tax	572.07	(247.63)	Proceeds from long-term borrowings- from banks		
Adjustments for :			Long Term Borrowings	5.24	-
Depreciation (Net)	0.62	0.39	Short Term Borrowings	(570.50)	(566.27)
Provision written back	(10.82)	(7.43)	Interest paid	(264.41)	(295.02)
Profit on sale of Fixed Assets held for disposal	(815.38)	(485.69)	Net cash used in financing activities (C)	(829.67)	(861.28)
Interest Received	(3.27)	(18.63)			
Interest Expenses	264.41	295.02	Net increase in cash & cash equivalent (A+B+C)	(22.01)	18.52
Rental Income	(0.09)	(0.42)	Cash and Cash equivalents as at 01.04.2015 (Opening Balance)	28.89	10.38
Operation profit before working capital changes	7.54	(464.40)	Cash and Cash equivalents as at 31.03.2016 (Closing balance)	6.88	28.90
Adjustment for :					
Loans & Advances	(2.00)	57.83	Notes:-		
Other Liabilities	(92.84)	699.52	1. All figures in brackets are outflows.		
Provisions	1.25	(5.12)	2. Cash & Cash Equivalent is Cash & Bank Balances as per Balance Sheet.		
Net Cash generated from operations	(86.04)	287.83	3. In view of the closure of Manufacturing Operations of the Fibre Division with effect from 19th May, 2007(closure has become operative from 8th September, 2007) the above cash flow represent cash flows of Discontinued Operations.		
Direct taxes paid	(64.99)	-	4. Previous year figures have been regrouped/ restated wherever necessary.		
Net cash from operating activities (A)	(21.05)	287.83			
B. Cash flow from Investing Activities					
Purchase of FA	(9.93)	-			
Non Current assets	(2.95)	(3.12)			
Sale of Fixed Asset	838.23	513.20			
Investments	-	62.84			
Interest Income	3.27	18.63			
Rental Income	0.09	0.42			
Net cash used in investing activities (B)	828.71	591.98			

As per our Audit Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

For & on behalf of Board of Directors of Modipon Limited

(Sandeep Dinodia)

Partner

M. No. 083689

(A.K. Goel)

Company Secretary

(Manish K. Modi)

Managing Director

DIN 00030036

(Mahendra Kumar Modi)

Chairman

DIN 000013594

Place : New Delhi

Dated : 28th May, 2016

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Note 1: Corporate Information

Modipon Limited (the company) is a public limited company incorporated in the year 1965 under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange.

Note 2: Significant Accounting Policies

a. Basis of Accounting

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b. Uses of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Fixed Assets and Depreciation

Fixed assets are stated at cost of acquisition inclusive of freight, duties & taxes and incidental expenses related to acquisition up to the date of installation. Cost of Fixed assets are further adjusted by the amount of MODVAT/CENVAT credit availed and VAT credit wherever applicable. Interest and finance charges incurred are allocated to the respective fixed assets on installation. Fixed assets under construction, and cost of assets not put to use before year end are shown as capital work in progress while advance paid towards acquisition of fixed assets are shown as capital advance under the head long term loans & Advances.

Depreciation is provided as per useful life specified in schedule II to the Companies Act, 2013. Depreciation is calculated on a pro-rata basis from the date of additions. On assets sold, discarded, etc. during the year, depreciation is provided up to the date of sale/discard.

d. Revenue recognition

Interest Income is recognized on time proportion basis taking into account the amount outstanding and the applicable interest rate.

Rental Income is accounted for on cash basis where there is unascertainty in realization.

e. Borrowing Cost

Borrowing costs that are attributable to the acquisition for construction of qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue. Borrowing Cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

f. Investments

Investments, which are readily realizable and intended to be held for less than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Non-Current Investments. Current Investments are carried in the financial statements at lower of cost and fair value. Non-Current Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the Investments.

g. Taxes on Income

Tax expense comprises current and deferred tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes (asset/ liability) reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

h. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized in the accounts in respect of present probable obligations arising as a result of past events and it is probable that there will be an outflow of resources, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Assets are neither recognized nor disclosed in the financial statements.

i. Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

j. Cash Flow Statement

Cash flows are reported using the indirect method as specified in Accounting Standard (AS-3) "Cash Flow Statement".

k. Retirement Benefit to Employees

- Company's contribution to provident/pension is charged to the Statement of Profit and Loss on accrual basis.
- 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 one employees at the year end.

NOTE 3 : SHARE CAPITAL

Particulars	(₹ in Lakhs)	
	As at 31.03.2016	As at 31.03.2015
Authorised Share Capital		
2,00,00,000 (March 31,2015 : 2,00,00,000)	2,000.00	2,000.00
Equity shares of ₹10/- each		
5,00,000 (March 31, 2015 : 5,00,000)	500.00	500.00
Preference shares of ₹100/-each		
	2,500.00	2,500.00
Issued, Subscribed & Paid-up Shares Equity Share Capital		
78,38,057 (March31, 2015 :78,38,057)	783.81	783.81
Equity Shares of ₹10/-each fully paid-up		
Preference share capital		
71,792 (March 31,2015 : 71,792)15%		
Redeemable Cumulative		
Preference shares of ₹100/- each fully paid up	71.79	71.79
Total Issued, Subscribed & Paid-up Capital	855.60	855.60

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	(₹ in Lakhs)			
	31.03.2016		31.03.2015	
	No. of shares	Amount	No. of shares	Amount
Balances of Shares at the begning of year	7,838,057	783.81	7,838,057	783.81
Add:- Addition during the year	-	-	-	-
Less:- Buy back during the year	-	-	-	-
Balances of Shares at the end of the year	7,838,057	783.81	7,838,057	783.81

b. Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Terms/rights attached to preference shares

The company has 15% Redeemable Cumulative Preference Share of ₹ 100 per share. Preference Share due for redemption since 31st March, 1996.

d. Details of Equity Shares held by each shareholder holding more than 5 percent shares in the company

(₹ in Lakhs)

Name of Shareholders	31.03.2016		31.03.2015	
	No. of shares	% holding	No. of shares	% holding
Status Mark Finvest Limited	966,673	12.33%	966,673	12.33%
Daisy Investment Pvt. Ltd.	730,939	9.33%	730,939	9.33%
Modi Industries Limited	700,000	8.93%	700,000	8.93%
Ashoka Mercantile Limited	855,489	10.91%	855,489	10.91%
U.P. State Indl. Dev. Corp. Ltd.	1,301,974	16.61%	1,301,974	16.61%
AMPS Investment Pvt. Ltd. (see note below)	776,009	9.90%	776,009	9.90%
Rajputana Fertilizers Limited	460,334	5.87%	460,334	5.87%

e. Details of Preference Shares held by each shareholder holding more than 5 percent shares in the company

(₹ in Lakhs)

Name of Shareholders	March 31, 2016		March 31, 2015	
	No. of shares	% holding	No. of shares	% holding
Smt. Veena Modi	3,856	5.37%	3,856	5.37%
Tanay Welfare Trust	6,133	8.54%	6,133	8.54%

f. Arrears of Dividend on Redeemable Convertible Cumulative Preference Shares for the Period from 1st April, 1998 to 31st March, 2016 amounts to ₹ 240.73 lakhs, excluding Tax on Distributed Profits, if any.

NOTE 4 : RESERVES AND SURPLUS

(₹ in Lakhs)

	As at 31.03.2016	As at 31.03.2015
Capital Reserve		
Balances at the beginning of year	21.80	21.80
Add:- Addition during the year	-	-
Less:- Utilised during the year	-	-
Balances at the close of year (A)	<u>21.80</u>	<u>21.80</u>
Capital Redemption Reserve		
Balances at the beginning of year	158.84	158.84
Add:- Addition during the year	-	-
Less:- Utilised during the year	-	-
Balances at the close of year (B)	<u>158.84</u>	<u>158.84</u>
Surplus / (Deficit) in the statement of profit & loss		
Balance at the beginning of year	(9,532.74)	(9,285.11)
Add: Profit for the year	637.06	(247.63)
Less: Appropriations	-	-
Proposed Dividend on Equity Shares	-	-
Dividend Distribution Tax on Proposed Dividend	-	-
Balance at the end of the year (C)	<u>(8,895.69)</u>	<u>(9,532.74)</u>
Total Reserves & Surplus (A+B+C)	<u>(8,715.04)</u>	<u>(9,352.10)</u>

NOTE 5 : LONG TERM BORROWINGS

(₹ in Lakhs)

	Non-Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Term Loans				
From Banks				
Vehicle loans (secured) (refer note i)	5.23	-	1.11	-
Other Loans And Advances				
Loan from related party */** (see below)	725.15	725.15	-	-
	<u>730.39</u>	<u>725.15</u>	<u>1.11</u>	<u>-</u>
The above amounts includes -				
Secured Borrowings	5.23	-	1.11	-
Unsecured Borrowings	725.15	725.15	-	-
Amount disclosed under "Other Current Liabilities" (Note 10)	-	-	(1.11)	-
Total Borrowings	<u>730.39</u>	<u>725.15</u>	<u>-</u>	<u>-</u>

* Refer Note 31 (c) (i), (ii), (iii) and 31 (d) (i) (ii) (iii)

** interest on the above loan has not been provided, for details, refer Note 31 (d)(iii)

(i) Vehicle loan is secured against hypothecation of respective vehicles.
Vehicle Loan is carrying 10% to 12% (Reducing) rate of interest p.a. and loan is repayable in 60 Instalments .

(₹ in Lakhs)

Bank loan A/C no.	2016-17	2017-18	2018-19	Beyond 2019-20
HDFC Bank Loan No. 35450776	1.11	1.23	1.37	2.63

(ii) The term loan carry interest ranging between 10% to 12%.

NOTE 6 : OTHER LONG TERM LIABILITIES

(₹ in Lakhs)

	Non-Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Security Deposit received against houses	1,781.59	1,829.42	-	-
Advance Against Property	211.96	350.00	-	-
Advance Rent	7.25	7.25	5.73	5.73
	<u>2,000.81</u>	<u>2,186.67</u>	<u>5.73</u>	<u>5.73</u>
Less: Amount disclosed under head "other current liabilities" (Note 10)	-	-	(5.73)	(5.73)
	<u>2,000.81</u>	<u>2,186.67</u>	<u>-</u>	<u>-</u>

NOTE 7 : PROVISIONS

(₹ in Lakhs)

	Long term		Short term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits				
Provision for gratuity	0.24	0.24	5.02	4.15
Provision for leave encashment	0.24	0.24	3.93	3.45
Sub Total (A)	<u>0.48</u>	<u>0.48</u>	<u>8.96</u>	<u>7.60</u>
Others:-				
Provision for Income Tax (net of advance tax)			68.85	68.95
Sub Total (B)			<u>68.85</u>	<u>68.95</u>
Total (A+B)			<u>77.80</u>	<u>76.55</u>

NOTE 8 : SHORT TERM BORROWINGS

(₹ in Lakhs)

	As at 31.03.2016	As at 31.03.2015
Secured		
Loan repayment on demand		
Cash Credit /WCDL from banks	283.90	1,453.90
From Related Party (refer Note 31 (c) (iii)/(d) (ii))	756.63	157.13
Unsecured		
Loan and advances from related parties		
Refer Note 2 (c) below	1,125.57	1,125.57
	2,166.11	2,736.61

Notes:

- Cash Credit/WCDL from banks and loan from Ashoka Mercantile Limited and Modi Intercontinental Private limited are secured by charge by way of pari passu charge on block assets of the company.
- (a) Cash Credit/Working Capital Demand Loans (including interest Accrued and Due) taken from Punjab National Bank was out of order and classified by Bank as Non-Performing Assets since calendar year 2007. Also company has defaulted into the loan repayment amount of ₹ 100 Lakhs. (Refer note 31(b))
- (b) The Punjab National Bank issued notice 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 its dues and has also issued notice under section 13(4) of the SARFAESI to the company for taking possession of the secured assets of the company. The Company could manage payment of ₹ 1082.24 Lacs (March 31, 2015: ₹ 630 Lacs) only upto 31st March, 2016. The matter of revival of OTS is under consideration of PNB.
- (c) Loan and advances from related parties includes loan from Ashoka Merchantile Limited and loan from Modi Intercontinental Private Limited.
-During the year Company has provided interest @ 10.25 % p.a. on the loan amount from Ashoka Merchantile Limited. However, the terms of repayment are yet to be entered into with the said party.

NOTE 9 : TRADE PAYABLES

(₹ in Lakhs)

	As at 31.03.2016	As at 31.03.2015
Amount due to Micro Small and Medium Enterprise (Refer Note 28)	-	-
Amount due to others	2,093.81	2,093.81
	2,093.81	2,093.81

NOTE 10 : OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31.03.2016	As at 31.03.2015
Current maturities of long-term borrowings (Refer note 5)	1.11	-
Interest accrued and due	246.02	151.15
Other Payable		
Employees dues	47.18	71.09
Statutory liabilities	151.03	164.08
Others liabilities	570.41	676.83
Advance Rent (refer Note 6)	5.73	5.73
Book Overdraft	140.44	-
	1,161.91	1,068.89

NOTE 11 : FIXED ASSETS

(₹ in Lakhs)

Particulars	Gross Block			Depreciation			Net Block	
	As At April 1, 2015	Additions during year	As At March 31, 2016	As At April 1, 2015	For the year	As At March 31, 2016	As At March 31, 2016	As At March 31, 2015
Tangible Assets								
Office Equipment	0.87	1.20	2.07	0.42	0.28	0.70	1.37	0.44
Vehicles	-	8.73	8.73	-	0.35	0.35	8.39	-
Grand Total	0.87	9.93	10.80	0.42	0.62	1.05	9.76	0.44
March 31, 2015	0.87	-	0.87	0.03	0.39	0.42	0.44	0.83

NOTE 12 : CURRENT ASSETS
Fixed Assets Held for Disposal

(₹ in Lakhs)

Particulars	As At April 1, 2015	Sale	As At March 31, 2016	As At March 31, 2015
Land (Freehold)	17.59	0.15	17.44	17.59
Non Factory Buildings (Including Residential Colony)	242.83	22.70	220.13	242.83
Grand Total	260.42	22.85	237.57	260.42
March 31, 2015	287.92	27.51	260.42	287.93

NOTE 13 : NON- CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Investments in Equity Instruments		
(i) Quoted: (At cost less provision for diminution in value)		
Equity Shares Fully Paid up of ₹10 each		
Nil (March 31, 2015 : 3,91,598)		
Lords Chloro Alkali Limited		
Less : Provision for Diminution in Value	-	-
2,000,000 (March 31, 2015 : 2,000,000) Spark Plugs Company (India) Limited	150.00	150.00
Less : Provision for Diminution in Value	150.00	0.00
75,632 (March 31, 2015 : 75,632) Modi Spinning & Weaving Mills Co. Limited (Refer Note 3 below)	0.00	0.00
5,580 (March 31, 2015 : 5,580) Modi Industries Limited (Refer Note i and iii below)	-	-
1,000 (March 31, 2015 : 1,000) J. K. Synthetics Limited (Refer Note i below)	0.02	0.02
640 (March 31, 2015 : 640) Century Enka Limited	0.04	0.04
225 (March 31, 2015 : 225) Garware Nylons Limited (Refer Note i below)	0.02	0.02
100 (March 31, 2015 : 100) J.K.Cement Limited	-	-
28 (March 31, 2015 : 28) Shree Synthetics Limited (Refer Note i below)	0.01	0.01
(ii) Unquoted : At Cost		
(a) Investment in Equity Shares		
3,460 (March 31, 2015 : 3,460) Modi Intercontinental Pvt Ltd	0.35	0.35
15,126 (March 31, 2015 : 15,126) Haryana distliery limited (Refer Note ii and iii below)	0.00	0.00
15,126 (March 31, 2015 : 15,126) Rajputana Fertilizer limited (Refer Note ii and iii below)	0.00	0.00

(b) Investment in preference shares

165 (March 31, 2015 : 165) shares
of ₹100 each fully paid up in Modi

Spinning & Weaving Mills Co. Ltd. 0.00 0.00

(c) Investment in debentures or bonds :

Non-Convertible Debentures of
₹200 each

(12.5% Redeemable Non-
Convertible)

328 (March 31, 2015 : 328)
Modi Industries Limited 0.00 0.00

0.44 0.44

Carrying amount of quoted
investments 0.09 0.09

Market value of quoted investments 1.15 1.63

Carrying amount of unquoted
investments 0.35 0.35

Aggregate provision for dimuni-
tion 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.
- In view of Rehabilitation Scheme of Modi Spg & Wvg Mills & Co. Ltd. (MSWM), the company was allotted free of cost 15126 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.
- The cost of the above shares have been taken as NIL since these shares have been received by the company in pursuance of slump sale agreement dated October 28, 2006 executed for transfer of Indofil Chemicals division to Indofil Industries Limited.
- 5,00,000 equity shares are yet to be transferred to the name of the company.

NOTE NO.- 14 : LOAN AND ADVANCES

(₹ in Lakhs)

	Non-Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Security Deposits	25.74	25.14	-	-
(Unsecured, considered good)				
Advances recoverable in cash or in kind	-	-	29.12	16.91
(Unsecured, considered good)				
Other Loans and advances (Unsecured considered good)				
Balance with Statutory/Gov- ernment Authorities	1.99	1.99	-	-
Others (Doubtful)				
Loans & Advances to em- ployees			-	4.47
Amount recoverable			1.18	1.18
Others			562.69	569.04
			563.87	574.69
Less: Provision for Doubtful loans and advances			(563.87)	(574.69)
	27.73	27.14	29.13	16.91

NOTE NO. 15: OTHER NON CURRENT ASSETS

(₹ in Lakhs)

	As at 31.03.2016	As at 31.03.2015
Other Non-Current Assets (refer Note 16)*	58.40	54.47
Interest accrued on fixed deposits	1.97	2.95
	60.37	57.42

Note: * FD with Citi Bank is held as security for the credit facility.

NOTE 16 : CASH AND BANK BALANCES

(₹ in Lakhs)

	Non-Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Cash & Cash Equivalents				
Balances with Scheduled banks :				
On current accounts	-	-	6.76	26.07
Cheques in hand	-	-	-	2.80
Cash in hand	-	-	0.10	0.01
	-	-	6.85	28.88
Others Bank Balances				
Balance with Bank held as margin money against guarantees	58.40	54.48	-	-
Silver Coin	-	-	0.01	0.01
Less: Disclosed under Other Non- current assets (Refer Note 15)	(58.40)	(54.48)		
	-	-	0.01	0.01
Total	-	-	6.87	28.89

NOTE 17 : OTHER INCOME

(₹ in Lakhs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Income on FDR	3.27	18.63
Rental Income	0.09	0.42
Provision written back	10.82	7.43
Amount written back	-	0.12
Other non operating income	3.45	1.55
Income Tax Refund	307.56	-
	325.18	28.14

NOTE 18 : EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages and bonus	44.52	59.72
Gratuity	0.88	0.82
Staff Welfare Expenses	3.55	4.57
	48.95	65.11

NOTE 19 : FINANCE COST

(₹ in Lakhs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Expense		
Interest on unsecured loan (refer Note 31 (c) (iii))	167.70	143.87
Interest on Bank loan (refer Note 31 (b))	96.71	151.15
	264.41	295.02

NOTE 20 : OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Rent	42.63	40.19
Repairs		
Buildings	-	1.63
Motor car expenses	5.46	6.11
General Charges	1.72	16.70
Postage & telegram	4.75	3.98
Office maintenance expenses	1.53	3.61
Rates & taxes	0.00	0.02
Claims/amounts Written off	-	0.96
Filing Expenses	3.12	2.12
Payment to Auditors (refer details in (a) below)	2.34	4.61
Advertisement Expenses	99.96	190.73
Commission Exp	0.05	9.78
Power & Fuel	2.67	4.95
Business promotion expenses	48.96	26.93
Travelling expenses (refer note (b) below)	13.10	17.99
Legal & professional charges	14.09	59.05
Retainer Ship Expenses	8.05	5.27
Other general expenses	6.09	6.32
	254.51	400.94
a) Auditor's remuneration		
As Statutory Auditor	2.11	2.00
For tax audit fees	-	1.00
For company law matters	-	1.46
For reimbursement of expenses	0.24	0.15
	2.34	4.61
b) Expenditure in Foreign Currency		
Travelling	-	6.21
	-	6.21

NOTE 21 : EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Provision for diminishing in value of investment written back	-	554.13
Loss on sale of investments	-	(531.22)
Profit on sale of Fixed Assets	815.38	462.78
	815.38	485.69

NOTE 22 : EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit/(Loss) before tax, and dividend	637.06	(247.63)
Add/(Less):		
Dividend on Preference Shares (Including Dividend Tax)	-	(10.77)
Profit/(Loss) after tax	637.06	(258.40)
Number/Weighted Average number of equity shares outstanding at the end of the year	78.38	78.38
Nominal value of equity shares	10.00	10.00
Basic/Diluted Earnings per share	8.13	(3.30)

NOTE 23 : CONTINGENT LIABILITIES AND NOTES

(a) Claims against the company not acknowledged as debts in respect of :

(₹ in Lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
(i) Income Tax (Refer note (c) below)	217.55	217.55
(ii) Sales Tax/ Excise/ Customs Duty (Refer note (b) below)	2,670.40	402.44
(iii) Water Tax	7.11	7.11
(iv) Suppliers Interest on outstanding dues (Refer note (d) below)	1,000.54	1,000.54
(v) Others	263.60	263.60

(vi) The following are the particulars of cases under litigation

Nature of the Statute	Nature of the Dues	Period to which the Amount relates	Forum where Dispute is Pending	Amount of Disputed Dues (₹)
Sales Tax Laws	Sales Tax	2004-05 2005-06 2006-07	Dy. Commissioner	94.22 1428.88 1010.75
Sales Tax Laws	Sales Tax	1991-92	High Court	1.41
Customs Law	Customs Duty	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	Excise Duty	1983-84	High Court	115.75
Income tax Act, 1961	Non-Deduction of TDS	2006-07 to 2008-09	High Court ITAT/Commissioner (Appeal)	107.71 109.84
Civil Suit	Trade payables	2008-09	High Court of Delhi	95.08
Civil Suit	Trade payables	2009-10	District Court, Saket, Delhi	18.13

(b) There is a balance sales tax liability of ₹ 183.90 lakhs (plus interest/penalty, if any) imposed by Commercial Tax Authorities, Modinagar on Punjab National Bank on account of tax payable on auction held by the bank for old plant & machinery of the company. The company has undertaken to reimburse the same to Punjab National Bank, in case the bank is required to pay the same to the sales tax authorities. In the meantime, the company shall continue to keep mortgage/charge over the administrative block (with land) of the company, as security, in favour of the bank till final disposal of the above tax case.

(c) For Assessment Years 2006-07 to 2008-09, the demand towards non-deduction of TDS inclusive of interest and penalty of ₹ 816.93 Lacs raised earlier has been rectified by the Income Tax Department and reduced to ₹ 217.55 Lacs. On an appeal filed by the company, Hon'ble Allahabad High Court had stayed recovery of demand (after rectification) of ₹ 107.71 Lacs while the penalty of ₹ 93.67 Lacs thereon has been stayed by the Additional Commissioner of Income Tax (TDS) Ghaziabad and the matter is pending for disposal. For the rest amount of ₹ 16.17 Lacs the matter has filed appeals before Commissioner of Income Tax (Appeals), Ghaziabad/ Income Tax Appellate Tribunal, New Delhi which are also pending adjudication.

(d) Suppliers Interest on outstanding dues (Gujarat State Fertilizers and Chemical Company Limited-GSFC) amounting to ₹ 1000.54 lakhs upto March 31, 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 96 month period ended 31st March, 2016 is not ascertainable.

Note 24 : Balance confirmation certificates were not obtained by the Company from creditors, loans and advances given/received, house/shop security depositors, in-operative current accounts with banks and loan account with Punjab National Bank (PNB) and consequently adjustments required, if any, has not been carried out in the financial results.

Note 25 : 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 September 30, 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. The Manufacturing

Operations of the Company have been closed with effect from May 19, 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 September 08, 2007.

Note 26 : The members of the company have, in their meeting held on 27th September 2013, approved payment of remuneration to Shri Manish K. Modi Managing Director for a period of five years w.e.f. June 01, 2013. The Central Government approval for managing director's remuneration has been received on July 28, 2014 for 10 months falling under the provisions of Companies Act, 1956 i.e. upto March 31, 2014. For the remaining period of 4 years and 2 months, the members, in their meeting held on September 30, 2015 reaffirmed payment of remuneration to Shri Manish K. Modi and an application seeking Central government approval to the same was moved. The Central government has vide its letter dated April 18, 2016 confirmed that the proposed remuneration is within the limit of the companies Act, 2013.

Note 27 : No Provision for Income Tax under the Income Tax Act, 1961 is considered necessary for current financial year on account of unabsorbed depreciation, unabsorbed business losses and capital loss. 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.

Note 28: Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force on October 02, 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 has been made in the Books of Account.

Note 29 : (A) Exceptional Items in Statement of Profit and Loss includes :

(a) For the year ended March 31, 2016:

- (i) Profit on sale of Non factory building ₹ 815.38 (March 31, 2015: ₹ 462.78) lakhs being excess of amount received over cost ₹ 22.85 (March 31, 2015: ₹ 27.51) lakhs;
- (ii) Provision for diminishing in value of investment written back amounting to Nil (March 31, 2015: ₹ 554.13) Lakhs on the investments sold by the company (Investment name: Lords Chloro Alkali Limited);
- (iii) Loss on sale of investments amounting to Nil (March 31, 2015: ₹ 531.22) Lakhs on the investments sold by the company (Investment name: Lords Chloro Alkali Limited)

Note 30 :

- (a) Since the Net Book value of Land, Residential buildings at Modinagar, 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 ₹ 237.57 lakhs as on March 31, 2016 has been shown as "Fixed Assets held for Disposal" on the face of the Balance Sheet.
- (b) The company has sold 65,743 sq. yds. and 2299 sq. yds. of its vacant land at Modinagar for ₹ 986.15 lakhs (original cost ₹ 1.88 lakhs) and ₹ 35.00 lakhs (original cost ₹ 0.07lakhs) respectively which resulted in Profit on Sale of Land amounting to ₹ 1019.20 lakhs during the year ended March 31, 2009. Approval of banks to whom immovable properties of the company, including the above Land, are charged is pending.

Note 31 :

- (a) Cash credit/Working Capital Demand Loans (including interest accrued and due) taken from Punjab National Bank was out of order and has been classified by Bank as Non-Performing Assets. The Bank issued notice 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 its dues and has also issued notice under section 13(4) of the SARFAESI to the company for taking possession of the secured assets of the company.
- (b) The Punjab National Bank (PNB) had approved one time settlement of its outstanding dues vide its approval letters dated April 02, 2014 and April 12, 2014 respectively. In terms of the settlement, OTS amount of ₹ 1710 lakhs (Net of upfront payment of ₹ 190 lakhs) was to be paid by the company in four quarterly installments with interest during financial year 2014-15. However, the company was able to manage the payment of ₹ 630 lakhs up to March 31, 2015 and at the request of the Company, PNB condone the delay and revived the OTS vide its letter dated July 02, 2015 requiring the Company to make payment of residual OTS amount

of ₹ 1270 lakhs by March 31, 2016 and total interest on OTS payment @ 10.25% (simple) by June 30, 2016. The Company has paid ₹ 1170 lakhs upto March 31, 2016 and balance ₹ 100 lakhs remain to be paid. The Company is making efforts to pay the balance OTS amount and the matter is under negotiation with PNB. The balance of PNB as per books of account of the Company was ₹ 2083.90 lakhs and excess amount of ₹ 183.90 lakhs would be dealt with upon final payment of the OTS amount. In view of the pending implementation of OTS as above, no provision for interest has been considered necessary for the year ended March 31, 2016 amounting to ₹ 491.15 lakhs respectively (₹ 1867.45 lakhs for the period from April 01, 2009 to March 31, 2016). However, interest on OTS amount has been provided as per the agreement amounting to ₹ 91.89 lakhs for the year ended March 31, 2016.

- (c) (i) 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 terms approved by the Board of Directors of the company on August 16, 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 successful implementation of OTS with PNB as stated in para 31(b) above, 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 "Long term borrowing".

No provision of interest has been made on loan repaid by Ashoka Mercantile Limited, pending finalization of Debt Assignment Agreement under this OTS deal and/or successful implementation of the OTS with Punjab National Bank.

- (ii) Loan liability of ₹ 832.04 lakhs to Bank of Baroda has been discharged by the company under OTS (one time settlement), in arrangement with Ashoka Mercantile Limited who has paid the settled sum of ₹ 600 Lakhs to the said bank. The settlement resulted into remission of liability by ₹ 232.04 Lakhs. As per the terms approved by the Board of Directors of the company on February 11, 2013 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 successful implementation of OTS with PNB as stated in para 31(b) above, the amount of ₹ 232.04 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 "Long 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 and/or successful implementation of the OTS with Punjab National Bank.

- (iii) Pending finalisation of terms of loan agreements with Ashoka Mercantile Limited (AML) who has outstanding amount of secured and unsecured loans of ₹ 882.29 lakhs and ₹ 1125.57 lakhs respectively for payment of OTS dues of banks. No provision of interest on loan have been provided till the March 31, 2014. However, from April 01, 2014, interest has been provided on unsecured loan on reducing balance method @ 10.25% per annum equivalent to the rate of interest agreed with PNB in OTS.
- (d) (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 September 23, 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 successful implementation of 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 March 31, 2011) is shown as secured loan in Note 8 i.e. as on March 31, 2015 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 in Note 5, to be written back or credited to AML at the time of OTS with PNB as stated in (i) above.
- (iii) As the OTS with PNB as stated above is yet to be implemented as on date, no interest has been provided on the balances mentioned in the 31(d) (i) & (ii) above during the current year as well as in the previous years, amount unascertained.

Note 32 : Disclosure of Related parties/ Related parties transactions :
a) List of Related Parties and relationships

Name of the related party	Nature of relationship
1. Ashoka Mercantile Limited (AML)	Enterprise having significant Influence
2. Modi Industries Limited (MIL)	
3. Weld Excel India Limited (WEIL)	
4. Modi Intercontinental Pvt. Ltd. (MIPL)	
1. M.K Modi- Chairman	Key Management Person
2. Manish K. Modi- Managing Director	
3. A.K. Goel- Company Secretary	

b) Transactions during the year with related party

(Amount ₹ in Lakhs)

Particulars	Enterprise having significant Influence	Key Management Person	Total
i) Director's Remuneration	- (-)	18.76 (34.32)	18.76 (34.32)
ii) Expenses realised	14.48 (46.09)	- -	14.48 (46.09)
(iii) Loan Taken	599.50 (321.58)	- -	599.50 (321.58)
(iv) Loan Repaid	4.62 (585.45)	- -	4.62 (585.45)
(v) Interest on Loan	165.88 (129.48)	- -	165.88 (129)
(vi) Outstanding balance as on 31.03.2016			
Payable	1,882.20 (1,586.20)	9.76 (34.32)	1,891.96 (1,620.52)
Recievable	19.10 (6.70)	- -	19.10 (6.70)

* Figures in brackets represents corresponding amounts of the year ended March 31, 2015.

c) Details of transactions with related parties, the amount of which is in excess of 10% of the total related party transactions of the same type:

Nature of transaction	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Amount in ₹	% ge	Amount in ₹	% ge
i) Director's Remuneration Manish K Modi	18.76	100.00	34.32	100.00
ii) Expenses realised Weld Excel India Limited (WEIL)	14.48	100.00	45.85	99.48
iii) Loan taken Ashoka Mercantile Limited (AML) Modi Intercontinental Private Limited	- 599.50	- 100.00	321.58 -	100.00 -
iv) Loan repaid Ashoka Mercantile Limited (AML)	4.62	100.00	585.45	100.00
v) Interest on Loan Ashoka Mercantile Limited (AML) Modi Intercontinental Private Limited	132.09 33.79	79.63 20.37	129.48 -	100.00 -

Note:-The Company has not been able to repay the loan 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. Out of which possession of 13 houses has since been returned by AML.

Note 33: In view of the management, the current assets, loans and advances have a value on realisation in the ordinary course of buisness at least equal to the amount at which they are stated in the balance sheet as at 31st March, 2015.

Note 34: Sundry debtors, creditors , loans and advances are subject to confirmation.

Note 35: Figures of previous year have been re-grouped and re-arranged wherever found necessary.

Note 36: Figures have been rounded off to the nearest Lakh.

For & on behalf of Board of Directors

(A.K. Goel)	(Manish K. Modi)	(Mahendra Kumar Modi)
Company Secretary	Managing Director	Chairman
	DIN 00030036	DIN 000013594

Place : New Delhi

Dated : 28th May, 2016

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 49th ANNUAL GENERAL MEETING of the Company held on Friday, the 30th September, 2016 at 4.00 P.M. at

Modipon Compound, Opposite Nagar Palika, Hapur Road, 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.

PROXY FORM (FORM NO. MGT-11)

[Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : **MODIPON LIMITED**
CIN : L65993UP1965PLC003082
Registered Office : Hapur Road, Modinagar, 201 204 (U.P.)
Email : modipon@modimangal.in
Website : www.modipon.net

Name of the member(s)	
Registered address	
E-mail ID	
Folio No. DP ID/Client ID	

I/We being the holder(s) of shares of the above named company, hereby appoint:

	(1)	(2)	(3)
Name			
Address			
E-mail ID			
Signature	or failing him	or failing him	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **49th Annual General Meeting** of the company, to be held on **Friday, the 30th September, 2016 at 4 P.M. at Modipon Compound, Opposite Nagar Palika, Hapur Road, Modi Nagar, 201 204 (U.P.)** and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.

1.....
2.....
3.....

Signature of shareholder

Signature of Proxy holder(s)

Affix
One Rupee
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

THROUGH COURIER SERVICE

If Undelivered, please return to:

modipon
limited 

Hapur Road,
Modinagar - 201 204