



**modipon  
limited**

**50TH ANNUAL REPORT 2016-17**

**BOARD OF DIRECTORS**

Dr. M. K. Modi	Chairman
Mr. Manish K. Modi	Managing Director
Mr. Ranvir Prasad, IAS	Independent Director
Mr. Hemant Kumar Singh	Independent Director
Mr. Vivek Gupta	Independent Director
Mrs. Aditee Modi	Woman Director

**COMPANY SECRETARY**

Mr. Vineet Kumar Thareja

**CHIEF FINANCIAL OFFICER**

Mr. Vikas Bhatia

**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.)

**REGISTRAR AND TRANSFER AGENT**

MAS Services 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  
 vkthareja@modimangal.in  
 Website : www.modipon.net

**NOTICE**

Notice is hereby given that the 50th Annual General Meeting of Modipon Limited will be held on Friday, the 29th September, 2017 at 1:30 PM at Modipon Compound, Opposite Nagar Palika, Hapur Road, Modinagar-201 204 (U.P.) to transact the following business:

**ORDINARY BUSINESSES**

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended on March 31, 2017 and the Report of Board of Directors of the Company and Independent Auditors' report thereon.
2. To reappoint Ms. Aditee Modi as Non-executive Women Director of the Company.
3. To ratify the appointment of Statutory Auditor and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/s B.M. Chatrath & Co., Chartered Accountants, Noida (Firm Regn. No.301011E), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company."

By Order of the Board of Directors  
 For Modipon Limited

  
 (Vineet Kumar Thareja)  
 Company Secretary

Dated: 30<sup>th</sup> August, 2017

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend and vote on poll instead of himself / herself. Such a proxy/ proxies need not be a member of company.
2. The register of members and share transfer books of the Company shall remain closed from 23rd September, 2017 to 29th September, 2017 (both days inclusive) for annual closing.
3. The notice is being sent to all the members of the Company, whose names appear on the register of members/ record(s) of depositories as on 25th August, 2017.
4. Members may also note that the Notice of the 50th Annual General Meeting and the Annual Report for year ended March 31, 2017 will also be available on the Company's website www.modipon.net for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hapur Road, Modi Nagar, Uttar Pradesh, 201204 for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: vkthareja@modimangal.in The Company

has a dedicated e-mail address vkthareja@modimangal.in for shareholders to mail their queries or lodge complaints, if any. We will endeavor to reply to your queries at the earliest.

5. Electronic copy of the Notice of the aforesaid Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members, whose email IDs are registered with the Company for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the aforesaid Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
6. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
7. The members who have cast their vote by remote-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
8. Voting Rights: Shareholders holding Equity Shares shall have one vote per share as shown against their holding and shareholders.
9. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting.
10. Members can inspect the register of director and key managerial personnel and their shareholding, required to be maintained under section 170 of the Companies Act 2013 during the course of the meeting at the venue.
11. Members may please note that no gifts/ gift coupons shall be distributed at the venue of the Annual General Meeting.
12. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
13. Members, who have not registered their e-mail addresses so far, are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. The details of email id can be sent to vkthareja@modimangal.in.
14. Voting Through Electronic Means

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by National Security Depository Limited (NSDL). The members may download the notice and cast their vote electronically. The website addresses is www.evoting.nsdl.com. The members may also cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

Note: Please read the instructions printed below before exercising your vote.

The instructions for members for voting electronically are as under:

1. In case of members receiving e-mail from NSDL (for members whose e-mail addresses are registered with the Company):

- i. Open the e-mail and also open password protected PDF file viz. "MPL.pdf" with your Client ID or Folio No. as password to open PDF file which contain your user ID and Password for e-voting. Please note that the password is an initial password.
  - ii. Launch internet browser by typing the following URL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - iii. Click on Shareholder – Login.
  - iv. If you are already registered with NSDL for e-voting then you can use your existing user id and password.
  - v. If you are logging in for the first time, please enter the user ID and Password as initial password noted in step (i) above. Click Login.
  - vi. The Password change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum 8 digits/characters or a combination of both. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - vii. Once the e-Voting home page opens, click on e-Voting: Active Voting Cycles.
  - viii. Select EVEN (E-Voting Even Number) of Modipon Limited which is "Written on the attendance slip" For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.
  - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xii. Institutional shareholders (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 signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: [rkvacs@gmail.com](mailto:rkvacs@gmail.com). with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. In case of Members receiving physical copy of the Notice of Annual General Meeting (for members whose email addresses are not registered with the Company/Depositories):
- III. Initial password is provided in the enclosed Ballot Form: EVEN, user id and password.
- IV. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) as mentioned in (I) above, to cast vote.
- V. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting User Manual for Shareholders, available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- VI. Other Instructions:
- a) Members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date, i.e. 22<sup>nd</sup> September, 2017 may avail the facility of remote e-voting or electronic voting at the meeting.
  - b) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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 user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- c) The remote e-voting period commences on, the 26<sup>th</sup> September, 2017 at 09.00 A.M. and ends on 28<sup>th</sup> September, 2017 at 5:00 P.M., the remote e-voting module shall be disabled after 5:00 P.M. on 28<sup>th</sup> September, 2017 for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
  - d) Members may contact Mr. Vineet Kumar Thareja, Company Secretary & Compliance Officer at 011-46082222 and/or at email [vkthareja@modimangal.in](mailto:vkthareja@modimangal.in) for any information or queries pertaining to electronic voting.
  - e) The facility for voting, either through electronic voting system or ballot or polling paper shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
  - f) The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
  - g) Mr. Ranjeet Kumar Verma, a Practicing Company Secretary (Membership No.: FCS6814, CP No. 7463) has been nominated as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - h) The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and make not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favor and against, if any, to the Chairman or person authorized by him in writing who shall countersign the same.
- VII. The results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.modipon.net> and on the website of NSDL immediately after the declaration of result by the Chairman and communicated to the Stock Exchanges (if any), where the shares of the Company are listed.

By Order of the Board of Directors

For Modipon Limited



Dated: 30<sup>th</sup> August, 2017  
Place: New Delhi

(Vineet Kumar Thareja)  
Company Secretary

**DIRECTORS' REPORT**

To the Shareholders,

Your Directors have pleasure in presenting the 50th Annual Report with Audited Financial Statements for the financial year ended 31st March, 2017.

**FINANCIAL HIGHLIGHTS**

FINANCIAL HIGHLIGHTS	2016-17 ₹ Lacs	2015-16 ₹ Lacs
Turnover	-	-
Other Income	1.79	325.18
Gross Profit (Loss) before Dep.	(487.92)	(242.69)
Depreciation	1.27	0.62
Profit/(Loss) after Depreciation	(489.19)	(243.31)
Add/(Less) Exceptional Income/ (Losses)	271.87	815.38
Profit/ (Loss) before Tax	(217.32)	572.07
Less/ (Add) :		
Provision for Taxation- Fringe Benefit Tax	-	-
Extra Ordinary item Taxes for earlier Year	-	(64.99)
Net Profit/(Loss) after Tax	(217.32)	637.06

**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/NBFC.

**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 5 times during the period of 12 months from 1st April, 2016 to 31st March, 2017. The Directors met on 28th May, 2016, 1st September, 2016, 17th October, 2016 and 3rd November, 2016, and 7th February, 2017.

**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. 1.79 lacs from sale of old stocks etc. and has incurred a loss after tax of Rs. (217.31) 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 Private Limited (a related party). The loan was repayable within one year. However, the Company could not repay the loan as yet. Therefore, the Company expressed its inability to repay the loan taken, accordingly, the acquirer opted for conversion

of certain portion of the said loan amount of Rs. 6,00,00,000/- (Rupees Six Crores) into 37,38,632 equity shares of the Company. Pursuant to this, on 01.09.2016, the Board of Directors in its meeting considered and approved the preferential allotment of 37,38,632 equity shares representing 32.29% of Rs. 10/- each of the expanded equity share capital of the Company i.e. 1,15,76,689 equity shares of Rs. 10 each at a price of Rs. 10/- to the Acquirer as per SEBI Regulations to discharge the partly loan liability of Modi Intercontinental Private Limited.

**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 certain change in the Board of Directors of the Company.

S. No	Name of Director	Category	Date of Appointment
1.	Mr. Hemant Kumar Singh	Independent Director	07.02.2017
2.	Mr. Amit Kumar Ghosh	Independent Director	22.08.2016

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. Vineet Kumar Thareja, Company Secretary and Mr. Vikas Bhatia, Chief Financial Officer were designated as Key Managerial Personnel of the Company. The Board appointed Mr. Vikas Bhatia as chief financial officer w.e.f. 20.07.2017.

**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 Regulation 18 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, an Audit Committee consisting of three Independent Directors and one Non-executive Director has been constituted. Mr. Hemant Kumar Singh is the Chairman of the said Committee with Mr. Vivek Gupta, Dr. M. K. Modi and Mr. Ranvir Prasad, being other members of the said Committee. The said Committee met on 28th May, 2016, 1st September, 2016, 3rd November, 2016, and 7th February, 2017.

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 Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015, the Company has constituted a Nomination

& Remuneration Committee consisting of two Independent Directors and one Non-executive Directors. Mr. Vivek Gupta is the Chairman of the said Committee with Dr. M.K. Modi and Mr. Hemant Kumar Singh as Members of the Committee.-

The said Committee met on 7th February, 2017.

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](http://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 Mr. Hemant Kumar Singh as Members of the Committee.

The said Committee met on 7th February, 2017.

#### D. RISK MANAGEMENT COMMITTEE

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 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](http://www.modipon.net).

#### VIGIL MECHANISM

In compliance with Section 177 (9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing obligations and Disclosures Requirements) Regulation, 2015, the Company has set up a whistleblower policy which can be viewed on Company's website [www.modipon.net](http://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](http://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.

During the year, the Company could not appoint an Internal Auditor because of acute financial position and closure of operations of the Company.

#### 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](http://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 has 5 (Five) No. of employee as on 31.03.2017.

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 2016-17	% age increase in remuneration in FY 2016-17	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	2.92*	The Company incurred a loss after tax of Rs. 217.32 lac during 2016-17 as against profit after tax of Rs. 637.06 during 2015-16.
Mr. Vineet Kumar Thareja – Company Secretary **	Rs.1,03,700	N.A.**	0.16	
Mr. Narayan Chandra Rout -Chief Financial Officer***	Rs.13,43,280	N.A.***	2.09	



\* The remuneration is 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. 07th February, 2017, remuneration paid to him includes Medical Reimbursement.

\*\*\* Appointed also as CFO (KMP) w.e.f. 01.06.2016, remuneration taken as above is for a period of (10) Ten Months.

**Note:** The remuneration of the ex-company Secretary of the Company named Mr. A. K. Goel was paid Rs. 12,26,160/- for the period of nine months i.e. 01.04.2016 to 31.12.2016.

\* Mr. Vikas Bhatia has been appointed as new chief financial officer from 20.07.2017

- b. The Median remuneration (based on basic salary) of employees of the Company during the financial year 2015-16 was Rs. 6,42,000/-.
- 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. 18.76 Lac as per Shareholders' approval. There is only one 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.

#### **AUDITORS AND AUDIT REPORT**

M/s B.M. Chatrath & Co., Chartered Accountants, Noida (Firm Regn. No.301011E) were Appointed as the statutory auditors for a period of Five (5) years in the last Annual General Meeting held on 30th September, 2016. In pursuant to the provisions of Section 139(2) of the Companies Act, 2013 their tenure to act as statutory auditors needs to be ratified by the members of the Company at ensuing Annual General Meeting (AGM). The Company has received a consent & eligibility certificate from the said statutory auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

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 along with 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, 2013 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, 2017 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 there under, 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, 2016 to 31st March, 2017.

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 2017-18 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 Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015, 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 the LODR, 2015, 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](http://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. However, no related party transaction the context of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 has been entered during the year under review. Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act, Form no. AOC-2 showing NIL details of related party transactions for the Financial Year 2016-17, is enclosed as Annexure - 3.

**FORMAL ANNUAL EVALUATION**

As required under Section 134 (p) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and read with part D of SEBI (Listing obligation and disclosures requirement) regulations, 2015 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 Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and read with part D of SEBI (Listing obligation and disclosures requirement) regulations,

2015, 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, 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 are 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 SWEAT equity shares or shares with differential rights or under Employee Stock Option Scheme nor did it buy-back any of its shares.

**STATUTORY DISCLOSURES**

None of the Directors are disqualified under the provisions of Section 164(2) of the Companies Act, 2013. The Directors have made the requisite disclosures, as required under the provisions of the Companies Act, 2013.

**APPRECIATION**

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

For and on behalf of the Board,

Place : New Delhi

Dated : 30<sup>th</sup> August, 2017

(Manish K. Modi) (M. K. Modi)  
Managing Director Chairman



**ANNEXURE-1**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on March 31, 2017**

*Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.*

**I. REGISTRATION & OTHER DETAILS:**

1.	Corporate Identification Number (CIN)	L65993UP1965PLC003082
2.	Registration Date	19.08.1965
3.	Name of the Company	Modipon Limited
4.	Category/Sub-category of the Company	Company Limited by shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	Hapur Road, Modi Nagar, Uttar Pradesh 201204 India Tel: 011-46082222
6.	Address of the Corporate office & contact details	NA
7.	Whether listed company	Listed Company
8.	Name, Address & contact details of the Registrar & Transfer Agent.	Mas Services Limited, T-34, Okhla Industrial. Area, Ph-II, New Delhi-110 020, Phone No. 011-26387281-83

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Real Estate Business	7010	Business not yet started

### III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
-----Not applicable-----					

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

**(i) Category-wise Share Holding:**

[illegible]

b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	364789	310973	675762	8.62	383517	379636	763153	6.59	-2.03
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	120430	94299	214729	2.74	102215	22941	125156	1.08	-1.66
c) Others (NRI/OCB)	41363	550	41913	0.53	42252	550	42802	0.37	-0.16
d) Any other (clearing members)	550	-	550	0.01	2384	-	2384	0.02	+0.01
<b>Sub Total (B)(2)</b>	<b>685301</b>	<b>890464</b>	<b>1575765</b>	<b>20.10</b>	<b>1148367</b>	<b>427398</b>	<b>1575765</b>	<b>13.61</b>	<b>-6.49</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)+(2)</b>	<b>1997341</b>	<b>897989</b>	<b>2895330</b>	<b>36.94</b>	<b>2460407</b>	<b>434923</b>	<b>2895330</b>	<b>25.01</b>	<b>-11.93</b>
<b>Total (A)+(B):-</b>	<b>6926638</b>	<b>911419</b>	<b>7838057</b>	<b>100</b>	<b>7389704</b>	<b>4186985</b>	<b>11576689</b>	<b>100</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>6926638</b>	<b>911419</b>	<b>7838057</b>	<b>100</b>	<b>7389704</b>	<b>4186985</b>	<b>11576689</b>	<b>100</b>	

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year*
		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	
<b>PROMOTERS/PERSONS HAVING CONTROL OVER THE COMPANY:</b>								
1.	Smt. Ginni Devi Modi	2524	0.03	-	2524	0.02	-	-0.01
2.	Dr. Mahendra Kumar Modi	211	0.00	-	211	0.00	-	0.00
3.	Dr. Mahendra Kumar Modi (HUF)	28302	0.36	-	28302	0.24	-	-0.12
4.	Smt. Veena Modi	259925	3.32	-	259925	2.24	-	-1.08
5.	Shri Manish Kumar Modi	39339	0.50	-	39339	0.34	-	-0.16
6.	Ms. Ruchika Modi	5458	0.07	-	5458	0.05	-	-0.02
7.	Smt. Aditee Modi	5448	0.07	-	5448	0.05	-	-0.02
<b>PROMOTER GROUP/PERSONS ACTING IN CONCERT (BODIES CORPORATE)</b>								
8.	Daisy Investment Pvt.Ltd	730939	9.33	-	730939	6.31	-	-3.02
9.	Status Mark Finvest Limited	966673	12.33	-	966673	8.35	-	-3.98
10.	Modi Intercontinental Pvt.Ltd.	46445	0.59	-	3785177	32.70	-	+32.11
11.	Modi Industries Limited	700000	8.93	-	700000	6.05	-	-2.88
12.	Ashoka Mercantile Limited	855489	10.91	-	855489	7.39	-	-3.52
13.	U.P.State Indl.Dev.Corp.Ltd.	1301974	16.61	-	1301974	11.25	-	-5.36

(iii) Change in Promoters' Shareholding:

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	At the beginning of the year	4942727	63.06				
	Increase in promoters shareholding due to conversion of loan into equity			09.12.2016	3738632	8681359	74.99
	At the end of the year	4942727			3738632	8681359	74.99

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 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017)	
		No. of shares at the beginning(1.4.2016)/ end of the year (31.03.2017)	% of total shares of the company				No. of shares	% of total shares of the company
1.	AMPS Investment Fund Limited (Formerly known as Mavi investment Pvt.Ltd.	776009 776009	9.90 6.70	01.04.2016 31.03.2017	-	Nil movement during the year	776009	6.70
2.	Rajputana Fertilizers limited	460334 460334	5.87 3.98	01.04.2016 31.03.2017	-	Nil movement during the year	460334	3.98
3.	Creasta Fund Limited	339295 339295	4.33 2.93	01.04.2016 31.03.2017	-	Nil movement during the year	339295	2.93
4.	Life Insurance Corporation Of India	196636 196636	2.51 1.70	01.04.2016 31.03.2017		Nil movement during the year	196636	1.70
5.	Laoleen Investment Pvt.Ltd.	41596 41596	0.53 0.36	01.04.2016 31.03.2017	-	Nil movement during the year	41596	0.36
6.	Umesh Kumar Modi	38290 38290	0.49 0.33	01.04.2016 31.03.2017	-	Nil movement during the year	38290	0.33
7.	Sudha Commercial Company Limited	35900 35900	0.46 0.31	01.04.2016 31.03.2017	-	Nil movement during the year	35900	0.31
8.	Anupam Securities (P) Ltd.	33730 33730	0.43 0.29	01.04.2016 31.03.2017	-	Nil movement during the year	33730	0.29

9.	Chandra Bala Modi	33480 33480	0.43 0.29	01.04.2016 31.03.2017	-	Nil movement during the year	33480	0.29
10.	Spice Enfortainment Limited	32506 32506	0.41 0.28	01.04.2016 31.03.2017	-	Nil movement during the year	32506	0.28

# Note: Percentage calculated on paid up capital of the Company outstanding on the date of transaction

\* Note: Percentage calculated on paid up capital of the Company outstanding at the end of financial year.

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the Year(01 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017)	
		No. of shares at the beginning(1.4.2016)/end of the year (31.03.2017)	% of total shares of the company				No. of shares	% of total shares of the company
A. DIRECTORS								
1.	Mahendra Kumar Modi, Chairman-Promoter	211 211	0.00 0.00	01.04.2016 31.03.2017	-	Nil movement during the year	211	0.00
2.	Manish Kumar Modi, Managing Director-Promoter	39339 39339	0.50 0.34	01.04.2016 31.03.2017	-	Nil movement during the year	39339	0.34
3.	Aditee Modi, NED-Promoter	5448 5448	0.07 0.05	01.04.2016 31.03.2017	-	Nil movement during the year	5448	0.05
B. KEY MANAGERIAL PERSONNEL (KMP'S)								
1.	Narayan Chandra Rout Chief Financial Officer	Nil	0.00	01.04.2016 31.03.2017		Appointed CFO from 01.06.2016	Nil	0.00
2.	Vineet Kumar Thareja Company Secretary	Nil	0.00	01.04.2016 31.03.2017		Appointed CS from 07.02.2017	Nil	0.00

Note: Except above, no other directors and/or KMPs owns any shareholding in the Company.

\* Mr. Vikas Bhatia has been appointed as new Chief Financial Officer of the Company from 20.07.2017.

**vi) INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in thousands)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 01.04.2016</b>				
i) Principal Amount	44,626	72,515	-	117,141
ii) Interest due but not paid	-	24,602	-	24,602
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>44,626</b>	<b>97,117</b>	<b>-</b>	<b>141,743</b>
<b>Change in Indebtedness during the financial year</b>				
Addition				
* Reduction				
Net Change				
<b>Indebtedness at the end of the financial year 31.03.2017</b>				
i) Principal Amount	44,626	72,515	-	117,141
ii) Interest due but not paid	-	24,602	-	24,602
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>44,626</b>	<b>97,117</b>	<b>-</b>	<b>141,743</b>

**vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

(Rupees in thousands)

Sl. No.	Particulars of Remuneration	Manish Kumar Modi	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1537.20	1537.20
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	338.79	338.79
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
	<b>Total (A)</b>	<b>1875.99</b>	<b>1875.99</b>

**B. Remuneration to other directors**

(Rupees in thousands)

Sl. No.	Particulars of Remuneration	Mahendra Kumar Modi	Aditee Modi	Vivek Gupta	Hemant Kumar Singh (Earlier Mr. Gaurav Sikhri*)	Amit Kumar Ghosh- UPSIDC (Earlier Mr. Manoj Singh)	Total Amount
1	<b>Independent Directors</b>						
	Sitting Fee (Board meetings)	-	-	30	40 30*	20*	120
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>			<b>30</b>	<b>70</b>	<b>20</b>	<b>120</b>

2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	20	-	-	-	20
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	-	<b>20</b>	-	-	-	<b>20</b>
	<b>Total (B)=(1+2)</b>	-	<b>20</b>	<b>30</b>	<b>70</b>	<b>20</b>	<b>140</b>
	Total Managerial Remuneration						*2015.99
	Overall Ceiling as per the Act						

## C. Remuneration to Key Managerial Personnel Other than Managing Director:

(Rupees in Thousands)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO (Narayan Chandra Rout)*	Company Secretary (Vineet Kumar Thareja)**	Total
1	Gross salary	1343.28	100.37	1443.65
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	Others specify...			
5	Others, please specify			
	<b>Total</b>	<b>1343.28</b>	<b>100.37</b>	<b>1443.65</b>

\* Appointed Chief Financial Officer of the Company from 01.06.2017.

\*\* Appointed Company Secretary by the Board of Directors in its meeting held on 07.02.2017.

Note: Mr. Vikas Bhatia has been appointed as new Chief Financial Officer of the Company from 20.07.2017.

## viii. Penalties / Punishment/ Compounding of Offences: No penalties, punishments &amp; compounding of offences were imposed on the Company during Financial Year 2015-16:

There were no material penalties/punishment/compounding of offences for the year ending March 31, 2017.

ANNEXURE-2  
FORM NO. MR-3  
SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017)

[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 company 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 our opinion thereon.

Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31st, 2017** 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 31st, 2017** according to the provisions of:

- The Companies Act, 2013 (**the Act**) and the rules made there under;
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 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 other 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;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 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;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- Following are 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:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- 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. Appointment of Internal Auditor**

As per section 138 of the companies act, 2013 read with rule 13 of Companies (Accounts) Rules, 2014 the company is required to appoint the internal auditor provided that internal auditor may or may not be an employee of the company. The audit committee of the company or the Board shall, in consultation with the internal auditor, formulate the scope, functioning periodicity and methodology for conducting the internal audit.

It was observed that during the year under scrutiny, the Company could not appoint an internal auditor. When inquired, the management explained that the Company, though recruiting for a long time, could not find suitable candidate. One such reason could be acute financial position and closure of operations of the Company.

**2. Maintenance of company website**

As per requirements under Companies Act 2013 and As per Regulation 46 of SEBI (LODR) Regulations, 2015, 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 re-casted so as to be able to upload/publication of all documents as per requirement of acts and listing agreement after rectification of errors.

**3. Compliance as per SEBI (Listing Obligations and Other Regulations) Rules 2015**

The company has been mostly complied with in respect of the LODR regulations during the period under review. Except some instances Company has delayed in filing quarterly and half yearly returns with the Bombay Stock Exchange. Further return for March and June 2016 had been filed physically due to non-availability of online ID, Password on that period of time even company had applied for that ID and Password on January 2016.

Further, in the matter of filing corporate governance report for quarter ended March 31, 2017, the management informed that the Company falls under the ambit of exempted categories as per LODR 2015. A clarification in this regard has been submitted to BSE.

**4. Filing return under companies Act 2013**

During the year under scrutiny, company has filed all required return on time and without any late filing fees. except 3 instances when company submitted return of form DIR 12, MGT 7 and MGT 14 with late filing fees.

**5. 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.

- 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/-

- Criminal Complaints- 30 Criminal complaints have been filed by Gujarat State Fertilizers & chemicals Limited for bouncing of 90 cheques vide complaint no. 49661 to 49680/2015, 49687/2015, 49682/2015 and 49742 to 49749/2015.
- 13 Cases have been filed by the company against the illegal occupants of the company's residential quarter.
- 5 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.

I further report that the compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed by me since the same have been subject to review by statutory auditors and other professionals.

Further, I report that there were no instances of:

- Redemption / buy back of securities
- 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

**ANNEXURES TO THE DIRECTOR'S REPORT****ANNEXURE-3****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)

**1. Details of material contracts or arrangement or transactions at arm's length basis for the financial year ended 31st March, 2017: NIL**

S.No	Nature of Contracts/ Transaction	Name(s) of the related party	Nature of relationship	Duration of Contract	Silent Terms of the Contract/ transaction/arrangement	Justification for entering such transaction	Date of Approval by the Board	Amount paid as advances, if any
	NA	NA	NA	NA	NA	NA	NA	NA

Note: There is no related party transaction taken place during the year.

**2. Details of material contracts or arrangement or transactions not at arm's length basis for the financial Year ended 31st March, 2017**

S.No	Nature of Contracts/ Transaction	Name(s) of the related party	Nature of relationship	Duration of Contract	Silent Terms of the Contract/ transaction/ arrangement	Justification for entering such transaction	Date of Approval by the Board	Amount paid as advances, if any	Date of passing Special Resolution u/s 188 (1)
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

For & on behalf of the Board of Directors

(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, 2017 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 the regulation 17 of (Listing obligations and disclosure requirements) Regulation, 2015, 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. Amit Kumar Ghosh, I.A.S. and Mr. Vivek Gupta and Mr. Hemant Kumar Singh, 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 or three year 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 Regulation 16 of (Listing obligations and Disclosures Requirements) regulations, 2015 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 regulation 17 of (Listing obligations and disclosure requirements) Regulation, 2015.

The Composition of the Board as on 31st March, 2017, 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 in Listed Co.*	No. of Other Committee(s)**		No. of Shares held in the Company
			Member-ship	Chairman-ship	
Dr. M. K. Modi	Chairman-Promoter	1	4	2	211
Mr. Manish K. Modi	MD-Promoter	1	-	-	39,339
Mrs. Aditee Modi	NED-promoter	1	2	-	5,448
Mr. Amit Kumar Ghosh	NED-Independent	1	1	-	-
Mr. Hemant Kr. Singh	NED-Independent	1	2	1	-
Mr. Vivek Gupta	NED-Independent	4	3	1	-

MD - Managing Director  
NED - Non-Executive Director  
\* Directorship in the Listed Company excludes Directorship held in Private Limited Companies & ors and Membership of various Chambers/ Bodies etc.  
\*\*Represents Audit Committee, Investors' Grievance Committee and Remuneration Committee & ors Committee.

### MEETINGS AND ATTENDANCE

During the year ended 31st March, 2017, Five Board Meetings were held on 28th May, 2016, 1st September, 2016, 17th October, 2016, and 3rd November, 2016 and 7th February, 2017. The last Annual General Meeting was held on 30.09.2016. 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	5	Yes
Mr. Manish K. Modi	4	Yes
Mr. Amit Kumar Ghosh	5	No
Mr. Hemant Kr. Singh	1	No
Mr. Vivek Gupta	5	No
Mrs. Aditee Modi	5	Yes

**NOTE:** Mr. Gaurav Sikhri and Mr. Manoj Singh, an independent Directors of the company resigned during the year and during the course of their tenure with the company they have attended following meetings of Board of Directors as follows:

Name of the Directors	No. of Board Meetings Attended	Attendance at last AGM
Mr. Gaurav Sikhri	3	No
Mr. Manoj Singh	1	No

### C. AUDIT COMMITTEE

Pursuant to Regulation 18 of the (Listing obligations and disclosures requirements) Regulations, 2015, the Audit Committee of the Board of Directors was reconstituted and now comprised of 3 Non-Executive Independent Directors, namely, (1) Mr. Hemant Kumar Singh, as Chairman; (2) Mr. Vivek Gupta, as Member (3) Mr. Amit Kumar Ghosh, and one Non-executive Director Mr. M. K. Modi, as Member and Company Secretary of Company 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.

During the year ended 31st March, 2017 Four Meetings were held on 28th May, 2016, 1st September, 2016, 3rd November, 2016 and 7th February, 2017 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. Hemant Kumar Singh	1 on 07.02.2017
Mr. Vivek Gupta	4 on 28.05.2016, 01.09.2016, 03.11.2016 and 07.02.2017
Mr. Amit Kumar Ghosh*	1 on 28.05.2016
Dr. M. K. Modi	4 on 28.05.2016, 01.09.2016, 03.11.2016 and 07.02.2017

**NOTE:** Mr. Gaurav Sikhri and Mr. Manoj Singh, an independent Directors of the company resigned during the year and during the course of their tenure with the company they have attended following meetings of Audit Committee as follows:

(i) Mr. Gaurav Sikhri: 28.05.2016, 01.09.2016, 03.11.2016

\*(ii) Mr. Manoj Singh (UPSIDC): 28.05.2016

#### D. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee constituted comprises of Mr. Vivek Gupta, Mr. Hemant Kumar Singh, Dr. M. K. Modi. The Non-Executive Directors are not paid any Commission or other Remuneration except Sitting Fees of Rs.5000/- 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, 2017 was as under:

(Rs. Lacs)

Directors	Salary	Commission	Perquisites and Retirement Benefits	Sitting Fees
Dr. M. K. Modi	-	-	-	-
Mr. Hemant Kumar Singh	-	-	-	0.40
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 Director.

\* Mr. Gaurav Sekhri has resigned from the post of independent director in the month of November, 2017.

#### 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, a 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. Hemant Kumar Singh as Members and Company Secretary of company 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 31.03.2017 under report. Mr. Vineet Kumar Thareja, Secretary of the Company is the Compliance Officer under regulation 20 of (Listing obligations and disclosure requirements) regulations, 2015. The status of the Shareholders' Complaints is reported to the Board Members at every Board Meeting by the Compliance Officer.

#### F. RISK MANAGEMENT COMMITTEE

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. Vineet Kumar Thareja 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](http://www.modipon.net).

#### G. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met during the year on 7th February, 2017 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 14th August, 2017 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
31.03.2016	AGM	Modipon Compound Modinagar	30.09.2016	4.00 P.M.	2
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

#### 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 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 SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of the Listing Agreement.

### J. MEANS OF COMMUNICATION

- 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.
- Company's Results and Official News release are being uploaded on the Company's website - [www.modipon.net](http://www.modipon.net).

### K. GENERAL SHAREHOLDER INFORMATION

#### 1. Annual General Meeting

Date and Time : 29.09.2017 at 01.30 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 LODR (Regulations) 2015.

#### 3. Book Closure

23rd September, 2017 to 29th September, 2017 (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 2017-18.

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, 2016	11.25	9.04
May, 2016	10.70	9.19
June, 2016	9.95	8.60
July, 2016	11.58	9.47
August, 2016	12.75	10.00
September, 2016	16.83	12.70
October, 2016	21.85	17.65

November, 2016	28.40	22.10
December, 2016	28.70	21.25
January, 2017	29.50	26.00
February, 2017	30.30	25.65
March, 2017	29.95	24.05

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, 2017 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, 2017:

Share Holding of Nominal Value of Rs.	No. of Shareholders	Percentage of Shareholders	No. of Equity Shares held	Percentage of Shareholding
1 - 5000	7,426	97.659	4,90,416	4.236
5001 - 10000	90	1.184	68,440	0.591
10001 - 20000	28	0.368	41,775	0.361
20001 - 30000	10	0.132	25,332	0.219
30001 - 40000	4	0.053	14,364	0.124
40001 - 50000	7	0.092	32,046	0.277
50001 - 100000	7	0.092	40,133	0.347
100001 and above	32	0.421	1,08,64,183	93.845
<b>Total</b>	<b>7,604</b>	<b>100.00</b>	<b>1,15,76,689</b>	<b>100.00</b>

#### Shareholding Pattern as on 31st March, 2017:

Category	No. of Shareholders	Total No. of Shares	No. of shares held in demat Form	% of Shareholding
<b>A. Shareholding of Promoters and Promoters Group</b>				
Individuals/Hindu Undivided Family	07	3,41,207	3,27,777	2.95
Bodies Corporate	08	83,40,152	46,01,520	72.04
<b>Sub Total (A)</b>	<b>15</b>	<b>86,81,359</b>	<b>49,29,297</b>	<b>74.99</b>
<b>B. Public Shareholding</b>				
1. Institutional				
Mutual Funds/ UTI	03	7,100	-	0.06
Financial Institutions/Banks	05	475	100	0.01
Insurance Companies	02	1,96,686	1,96,636	1.70
Foreign Institutional investors	02	11,15,304	11,15,304	9.63
<b>Sub Total (B)(1)</b>	<b>12</b>	<b>13,19,565</b>	<b>13,12,040</b>	<b>11.40</b>
2. Non Institutional				
Bodies Corporate	95	6,42,270	6,17,999	5.55
Individuals holding nominal share Capital upto Rs. Two lakhs	7,442	7,63,153	3,83,517	6.59
Individuals holding nominal shares capital in excess of Rs.Two lakhs	04	1,25,156	1,02,215	1.08
NRIs/OCB	25	42,802	42,252	0.37
Clearing Members	11	2384	2384	0.02
<b>Sub Total (B)(2)</b>	<b>7,577</b>	<b>15,75,765</b>	<b>11,48,367</b>	<b>13.61</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>7,589</b>	<b>28,95,230</b>	<b>24,60,407</b>	<b>25.01</b>
<b>Total A + B</b>	<b>7,604</b>	<b>1,15,76,689</b>	<b>73,89,704</b>	<b>100.00</b>

**9. Dematerialisation of Shares**

There were 3119 Shareholders holding 73, 89,704 shares in dematerialized form, which constitutes 63.83% of the Paid up Equity Share Capital of the Company as on 31st March, 2017. 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 LODR, 2015 affirming compliance of the Code of Conduct by all members of the Board and the Senior Management Personnel for the year ended 31st March, 2017 is attached to this Corporate Governance Report.

**12. CEO/CFO Certification**

Certificate in compliance with Part B of Schedule II as specified in regulation 17(8) of (Listing obligations and disclosures requirements) Regulations, 2015. of the Listing Agreement signed by Mr. Manish. K. Modi, Managing Director and Mr. Vikas Bhatia, Chief Financial Officer in respect of Modipon Limited were placed before the Board of Directors at its Meeting held on 30th August, 2017.

**13. Plant Locations**

Hapur Road, Modinagar- 201204 (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	Company Secretary, Modipon Limited, Modinagar - 201 204	Tel. 011-46082222 Email-vkthareja@modimangal.in modipon@modimangal.in

**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 LODR, 2015**

All Directors and Senior Management of the Company have affirmed compliance with the Modipon Code of Conduct for the year ended 31st March, 2017..

For and on behalf of the Board,



New Delhi  
30th August, 2017

(Manish K. Modi) (M. K. Modi)  
Managing Director Chairman

**CERTIFICATE OF COMPLIANCE FROM AUDITORS/ PRACTICING COMPANY SECRETARIES AS STIPULATED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENT) REGULATIONS, 2015 WITH THE STOCK EXCHANGE**

**PRACTICING COMPANY SECRETARIES 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, 2017, as in SEBI (Listing obligations and disclosure requirements regulations, 2015).

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, 2017 as stipulated in the SEBI (Listing obligations and disclosure requirements regulations, 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: 30th August, 2017

## **INDEPENDENT AUDITORS' 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, 2017, 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, 2017 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, 2017 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]
6. (a) In the earlier years, Punjab National Bank (PNB) had approved one time settlement of its outstanding dues of Rs.1900 lacs vide its approval letters dated April 2nd, 2014. The company had paid ₹ 930.00 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 2nd, 2015. The agreed revise payments terms are as under:
  - Rs. 200 lacs by September 30th, 2015
  - Rs. 200 lacs by December 31st, 2015 and
  - Rs. 570 lacs by March 31st, 2016.
  - The entire amount of interest @ 10.25% (Simple) along with expenses of ₹ 5.54 lacs are to be paid by June 30th, 2016.
- (b) Further from July 01, 2015, the company has paid Rs.870 lacs till March 31, 2017 and balance OTS amount of Rs. 100 lacs plus overdue interest remain to be paid/cleared.
- (c) Further, the company has requested vide letter dated 17th March 2017 and willing to discharge its residual OTS liability of Rs. 1.00 Crore and further request for waiver of interest component on OTS settlements. However, the Lender Punjab National Bank has declined to entertain the final settlement of OTC due vide letter dated 20th March 2017 as a result the total OTS amount as at 31st March 2017 stands Rs.1.00 Crores plus outstanding overdue interest there in.  
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.
- (d) The outstanding liability in the books of the company is higher than the OTS amount by Rs.183.90 lacs. However, interest on OTS amount has been provided as per the agreement amounting to Rs. 10.25 lacs on Rs. 100.00 Lakhs for the year ended March 31st, 2017 (Refer note 31(b))
- (e) In the absence of any documentary evidences from the management as well as PNB, we are unable to quantify the amount of interest on the amount of Rs.183.90lacs; the amount of Rs.183.90lacs is over and above the loan amount on account of the sales tax liability on PNB on account of the auction held by the bank for old plant and machinery of the company.
7. (a) 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.



- (b) 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.
- (c) 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, 2017, its loss 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, 2017 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, 2017, its loss and cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- As required by section 143(3) of the Act, we report that:
  - 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.
  - 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.
  - 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.
  - 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.
  - In our opinion there are no financial transactions or matters that may have adverse effect on the functioning of the Company.
  - On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - 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 B".

- (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:

- 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.
- The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- The Company has provided requisite disclosures in its Standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 31 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 33 to the Standalone financial statements.

- 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For B M Chatrath & Co LLP**  
Chartered Accountants,  
LLPIN: AAJ-0682

Sd/-  
(Bharat C. Swain)

Place: New Delhi

Date: 12th May, 2017

Partner

Membership No.501999

### ANNEXURE 'A' 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, 2017; we report that:

- In respect of fixed assets:
  - The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - 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.
  - 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, 2017 (A)	Title deeds available (B)	Title deed not available (A-B)
17.44	14.78	2.66

- 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.
- (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, 2017 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
	<b>Total</b>	<b>134.65</b>

- (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 etc. as at March 31, 2017 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

Name of the Statute	Nature of Dues	Amount (₹ In Lacs )	Period to which amount relates	Forum where dispute is pending
	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

- 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 Rs.1900 lacs vide its approval letters dated April 2nd, 2014. The company had paid Rs. 930.00 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 2nd, 2015. The agreed revise payments terms are as under:

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

- (b) Further from July 01, 2015, the company has paid Rs.870 lacs till March 31, 2017 and balance OTS amount of Rs. 100 lacs plus overdue interest remain to be paid/cleared.
- (c) Further, the company has requested vide letter dated 17th March 2017 and willing to discharge its residual OTS liability of Rs. 1.00 Crore and further request for waiver of interest component on OTS settlements. However, the Lender Punjab National Bank has declined to entertain the final settlement of OTS due vide letter dated 20th March 2017 as a result the total OTS amount as at 31st March 2017 stands Rs. 1.00 Crores plus outstanding overdue interest there in.

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.

- (d) The outstanding liability in the books of the company is higher than the OTS amount by Rs.183.90 lacs. However, interest on OTS amount has been provided as per the agreement amounting to Rs. 10.25 lacs on Rs. 100.00 Lacs for the year ended March 31st, 2017 (Refer note 31(b))
- (e) In the absence of any documentary evidences from the management as well as PNB, we are unable to quantify the amount of interest on the amount of Rs.183.90lacs; the amount of Rs.183.90lacs is over and above the loan amount on account of the sales tax liability on PNB on account of the auction held by the bank for old plant and machinery of the company.

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 B M Chatrath & Co LLP**  
**Chartered Accountants,**  
**LLPIN: AAJ-0682**

**Sd/-**  
**(Bharat C. Swain)**

Place: New Delhi

Date: 12th May, 2017

**Partner**

**Membership No.501999**

#### **ANNEXURE 'B' 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, 2017 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, 2017.

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 B M Chatrath & Co LLP**  
**Chartered Accountants,**  
**LLPIN: AAJ-0682**

**Sd/-**  
**(Bharat C. Swain)**

Place: New Delhi

Date: 12th May, 2017

**Partner**

**Membership No.501999**

**BALANCE SHEET**

As on 31st March, 2017

( ₹ in Lakhs)			
Particulars	Note No.	As At 31.03.2017	As At 31.03.2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	3	1,229.46	855.60
(b) Reserves and surplus	4	(8,932.36)	(8,715.04)
		<b>(7,702.90)</b>	<b>(7,859.44)</b>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowing	5	730.39	730.39
(b) Other Long Term Liabilities	6	2,002.97	2,000.81
(c) Long-term provisions	7	0.82	0.48
		<b>2,734.18</b>	<b>2,731.68</b>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	8	1,814.56	2,166.11
(b) Trade payables	9	2,351.07	2,093.81
(c) Other current liabilities	10	1,088.44	1,161.91
(d) Short-term provisions	7	79.68	77.80
		<b>5,333.75</b>	<b>5,499.63</b>
<b>TOTAL</b>		<b>365.02</b>	<b>371.87</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
Tangible assets	11	8.49	9.76
(b) Non-Current Investments	13	0.44	0.44
(c) Long Term Loan & Advances	14	28.32	27.73
(d) Other Non- Current Assets	15	61.60	60.37
		<b>98.85</b>	<b>98.30</b>
<b>(2) Current assets</b>			
(a) Fixed Asset held for disposal	12	230.88	237.57
(b) Cash and bank balances	16	5.11	6.87
(c) Short-term loans and advances	14	30.18	29.13
		<b>266.17</b>	<b>273.57</b>
<b>TOTAL</b>		<b>365.02</b>	<b>371.87</b>
Summary of Significant Accounting policies	2		

**STATEMENT OF PROFIT & LOSS**

For the Year ended 31st March, 2017

( ₹ in Lakhs)			
Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Income</b>			
Other income	17	1.79	325.18
<b>Total Revenue</b>		<b>1.79</b>	<b>325.18</b>
<b>Expenses</b>			
Employee benefits expense	18	104.62	48.95
Finance costs	19	145.61	264.41
Depreciation and amortization expense	11	1.27	0.62
Other expenses	20	239.48	254.51
<b>Total expenses</b>		<b>490.98</b>	<b>568.49</b>
Profit/(Loss) before exceptional and extra-ordinary items and tax		(489.19)	(243.31)
<b>Exceptional items:-</b>			
Exceptional items	21	271.87	815.38
<b>Profit before tax</b>		<b>(217.32)</b>	<b>572.07</b>
<b>Tax expense:</b>			
Current Tax		-	-
Deferred Tax		-	-
Taxes for earlier years		-	(64.99)
<b>Profit (Loss) of the year</b>		<b>(217.32)</b>	<b>637.06</b>
<b>Earnings per equity share:</b>			
Basic	22	(2.32)	8.13
Diluted		(2.32)	8.13
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 B.M. Chatrath &amp; Co.

Chartered Accountants

Regn. No. 301011E

For &amp; on behalf of Board of Directors of Modipon Limited

CA. Bharat C. Swain  
Partner  
M. No. 501999

(Vineet Kumar Thareja)  
Company Secretary

(Manish K. Modi)  
Managing Director  
DIN 00030036

(Mahendra Kumar Modi)  
Chairman  
DIN 000013594

Place : New Delhi  
Dated : 12th May, 2017

(Narayan C. Rout)  
Chief Financial Officer

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST MARCH, 2017**

(Amount ₹ in Lakhs)			(Amount ₹ in Lakhs)		
Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016	Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>A. Cash Flow from operating activities</b>					
Net Profit before tax	(217.32)	572.07	Interest Income	1.23	3.27
<b>Adjustments for :</b>			Long Term Loans & Advances	(0.59)	-
Depreciation (Net)	1.27	0.62	Rental Income	0.56	0.09
Provision written back	-	(10.82)	Net cash used in investing activities (B)	<b>278.52</b>	<b>828.71</b>
Profit on sale of Fixed Assets	(271.87)	(815.38)			
Interest Received	(1.23)	(3.27)	<b>C. Cash flow from Financing Activities</b>		
Interest Expenses Paid	46.13	264.41	Proceeds from long-term borrowings	-	5.24
Rental Income	(0.56)	(0.09)	Proceeds from Issue of equity shares	373.86	-
Operation profit before working capital changes	<b>(443.57)</b>	<b>7.55</b>	Short Term Borrowings	(351.54)	(570.50)
			Interest paid	(46.13)	(264.41)
<b>Adjustment for :</b>			Net cash used in financing activities (C)	<b>(23.81)</b>	<b>(829.67)</b>
Other Recievables	-	-			
Loans & Advances	(1.05)	(2.00)	Net increase in cash & cash equivalent (A+B+C)	<b>(1.76)</b>	<b>(22.01)</b>
Trade Payables	257.25	-	Cash and Cash equivalents as at 01.04.2016 (Opening Balance)	6.87	28.89
Asset held for Disposal	-	-	Cash and Cash equivalents as at 31.03.2017 (Closing balance)	<b>5.11</b>	<b>6.88</b>
Other Liabilities	(71.31)	(92.84)			
Provisions	2.21	1.25			
Interest Payable	99.48	-			
Net Cash generated from operations	<b>(256.47)</b>	<b>(86.04)</b>			
Direct taxes paid	-	(64.99)			
Net cash from operating activities (A)	<b>(256.47)</b>	<b>(21.05)</b>			
<b>B. Cash flow from Investing Activities</b>					
Purchase of FA	-	(9.93)			
Non Current assets	(1.23)	(2.95)			
Sale of Fixed Asset	278.56	838.23			
Investments	-	-			

Notes:-

1. All figures in brackets are outflows.
2. Cash & Cash Equivalent is Cash & Bank Balances as per Balance Sheet.
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.
4. Previous year figures have been regrouped/ restated wherever necessary.

The accompanying notes are an integral part of the financial statements

As per our Audit Report of even date attached

For B.M. Chatrath & Co.  
Chartered Accountants  
Regn. No. 301011E

For & on behalf of Board of Directors of Modipon Limited

CA. Bharat C. Swain  
Partner  
M. No. 501999

(Vineet Kumar Thareja)  
Company Secretary

(Manish K. Modi)  
Managing Director  
DIN 00030036

(Mahendra Kumar Modi)  
Chairman  
DIN 000013594

Place : New Delhi  
Dated : 12th May, 2017

(Narayan C. Rout)  
Chief Financial Officer

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 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 Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. 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 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 year. 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 two employees at the year end.

## NOTE 3 : SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Authorised Share Capital</b>		
2,00,00,000 (March 31,2016 : 2,00,00,000)	2,000.00	2,000.00
Equity shares of ₹10/- each		
5,00,000 (March 31, 2016 : 5,00,000 )	500.00	500.00
Preference shares of ₹100/-each		
	<b>2,500.00</b>	<b>2,500.00</b>
<b>Issued, Subscribed &amp; Paid-up Shares Equity Share Capital</b>		
11576689 (March31, 2016 :78,38,057)	1,157.67	783.81
Equity Shares of ₹10/-each fully paid-up		
<b>Preference share capital</b>		
71,792 ( March 31,2016 : 71,792 )15%		
Redeemable Cumulative		
Preference shares of ₹100/- each fully paid up	71.79	71.79
<b>Total Issued, Subscribed &amp; Paid-up Capital</b>	<b>1,229.46</b>	<b>855.60</b>

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

(₹ in Lakhs)

Equity Shares	31.03.2017		31.03.2016	
	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	3,738,632	373.86	-	-
Less:- Buy back during the year	-	-	-	-
Balances of Shares at the end of the year	11,576,689	1157.67	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	31.03.2017		31.03.2016	
	No. of shares	% holding	No. of shares	% holding
Status Mark Finvest Limited	966,673	8.35%	966,673	12.33%
Daisy Investment Pvt. Ltd.	730,939	6.31%	730,939	9.33%
Modi Industries Limited	700,000	6.05%	700,000	8.93%
Ashoka Mercantile Limited	855,489	7.39%	855,489	10.91%
U.P. State Indl. Dev. Corp. Ltd.	1,301,974	11.25%	1,301,974	16.61%
AMPS Investment Pvt. Ltd. (see note below)	776,009	6.70%	776,009	9.90%
Rajputana Fertilizers Limited	460,334	3.98%	460,334	5.87%
Modi Intercontinental Pvt. Ltd.	3,738,632	32.29%	-	0.00%

**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, 2017		March 31, 2016	
	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, 2017 amounts to ₹ 240.73 lakhs, excluding Tax on Distributed Profits, if any.

**NOTE 4 : RESERVES AND SURPLUS**

(₹ in Lakhs)

	As at 31.03.2017	As at 31.03.2016
<b>Capital Reserve</b>		
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)	<b>21.80</b>	<b>21.80</b>
<b>Capital Redemption Reserve</b>		
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)	<b>158.84</b>	<b>158.84</b>
<b>Surplus / (Deficit) in the statement of profit &amp; loss</b>		
Balance at the beginning of year	(8,895.69)	(9,532.74)
Add: Profit for the year	(217.32)	637.06
Less: Appropriations	-	-
Proposed Dividend on Equity Shares	-	-
Dividend Distribution Tax on Proposed Dividend	-	-
Balance at the end of the year (C)	<b>(9,113.00)</b>	<b>(8,895.69)</b>
<b>Total Reserves &amp; Surplus (A+B+C)</b>	<b>(8,932.36)</b>	<b>(8,715.04)</b>

**NOTE 5 : LONG TERM BORROWINGS**

(₹ in Lakhs)

	Non-Current		Current	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
<b>Term Loans</b>				
From Banks				
Vehicle loans (secured) (refer note i)	5.23	5.23	-	1.11
<b>Other Loans And Advances</b>				
Loan from related party */** (see below)	725.15	725.15	-	-
	<b>730.39</b>	<b>730.39</b>	<b>-</b>	<b>1.11</b>
<b>The above amounts includes -</b>				
Secured Borrowings	5.23	5.23	-	1.11
Unsecured Borrowings	725.15	725.15	-	-
Amount disclosed under "Other Current Liabilities" (Note 10)	-	-	-	(1.11)
<b>Total Borrowings</b>	<b>730.39</b>	<b>730.39</b>	<b>-</b>	<b>-</b>

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

Maturity profile of Secured Term Loans are as set out below :	2017-18	2018-19	Beyond 2019-20
HDFC Bank Loan No. 35450776	1.23	1.37	2.93

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

**NOTE 6 : OTHER LONG TERM LIABILITIES**

(₹ in Lakhs)

	Non-Current		Current	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Security Deposit received against houses	1,781.59	1,781.59	-	-
Advance Against Property	211.96	211.96	-	-
Advance Against Sale of Plot	2.17	-	-	-
Advance Rent	7.25	7.25	5.73	5.73
	<b>2,002.97</b>	<b>2,000.81</b>	<b>5.73</b>	<b>5.73</b>
Less: Amount disclosed under head "other current liabilities" (Note 10)	-	-	(5.73)	(5.73)
	<b>2,002.97</b>	<b>2,000.81</b>	<b>-</b>	<b>-</b>

**NOTE 7 : PROVISIONS**

(₹ in Lakhs)

	Long term		Short term	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
<b>Provision for employee benefits</b>				
Provision for gratuity	0.58	0.24	5.86	5.02
Provision for leave encashment	0.24	0.24	3.93	3.93
<b>Sub Total (A)</b>	<b>0.82</b>	<b>0.48</b>	<b>9.79</b>	<b>8.96</b>
<b>Others:-</b>				
Provision for Income Tax (net of advance tax)			68.89	68.85
<b>Sub Total (B)</b>			<b>68.89</b>	<b>68.85</b>
<b>Total (A+B)</b>			<b>79.68</b>	<b>77.80</b>

**NOTE 8 : SHORT TERM BORROWINGS**

(₹ in Lakhs)

	As at 31.03.2017	As at 31.03.2016
<b>Secured</b>		
Loan repayment on demand		
Cash Credit /WCDL from banks	283.90	283.90
From Related Party (refer Note 31 (c) (iii)/(d) (ii))	157.13	157.13
<b>Unsecured</b>		
Loan and advances from related parties		
Refer Note 2 (c) below	1,373.53	1,725.07
	<b>1,814.56</b>	<b>2,166.11</b>

**Notes:**

- 1) 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 31.03.2017	As at 31.03.2016
Sundry Creditors	257.26	-
Amount due to others (Refer Note 28)	2,093.81	2,093.81
	<b>2,351.07</b>	<b>2,093.81</b>

**NOTE 10 : OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

	As at 31.03.2017	As at 31.03.2016
Current maturities of long-term borrowings (Refer note 5)	-	1.11
Interest accrued and due	246.02	246.02
Unpaid matured deposits and interest accrued thereon unsecured		
-Fixed Deposits	-	-
-Interest accrued thereon	-	-
<b>Other Payable</b>		
Employees dues	47.96	47.18
Statutory liabilities	141.81	151.03
Others liabilities	646.13	570.41
Book Overdraft	0.79	140.44
Advance Rent (refer Note 6)	5.73	5.73
	<b>1,088.44</b>	<b>1,161.91</b>

**NOTE 11 : FIXED ASSETS**

(₹ in Lakhs)

Particulars	Gross Block			Depreciation			Net Block	
	As At April 1, 2016	Additions during year	As At March 31, 2017	As At April 1, 2016	For the year	As At March 31, 2017	As At March 31, 2017	As At March 31, 2016
<b>Tangible Assets</b>								
Office Equipment	2.07	-	2.07	0.70	0.23	0.93	1.14	1.37
Vehicles	8.73	-	8.73	0.35	1.04	1.39	7.35	8.39
<b>Grand Total</b>	<b>10.80</b>	<b>-</b>	<b>10.80</b>	<b>1.05</b>	<b>1.27</b>	<b>2.32</b>	<b>8.49</b>	<b>9.76</b>

**Note:-** As per Note No.7 of Part "C" of the Schedule II to the Companies Act, 2013 the carrying amount of the assets as at April 1,2014 has been depreciated as follows:  
a) Carrying value of asset has been depreciated over the remaining useful life of assets and recognized in the Statement of Profit & Loss.

**NOTE 12 : CURRENT ASSETS  
Fixed Assets Held for Disposal**

(₹ in Lakhs)

Particulars	As At April 1, 2016	Sale	As At March 31, 2017	As At March 31, 2016
Land (Freehold)	17.44	6.69	10.75	17.44
Non Factory Buildings (Including Residential Colony)	220.13	-	220.13	220.13
<b>Total</b>	<b>237.57</b>	<b>6.69</b>	<b>230.88</b>	<b>237.57</b>

**NOTE 13 : NON- CURRENT INVESTMENTS**

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Investments in Equity Instruments</b>		
<b>(i) Quoted: (At cost less provision for diminution in value)</b>		
Equity Shares Fully Paid up of ₹10 each		
Nil (March 31,2016 : 3,91,598 )		
Lords Chloro Alkali Limited		
Less : Provision for Diminution in Value	-	-
2,000,000 (March 31,2016 : 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 31,2016 : 75,632) Modi Spinning & Weaving Mills Co. Limited (Refer Note 3 below)	0.00	0.00
5,580 (March 31,2016 : 5,580) Modi Industries Limited (Refer Note i and iii below)	-	-
1,000 (March 31,2016 : 1,000) J. K. Synthetics Limited (Refer Note i below)	0.02	0.02
640 (March 31,2016 : 640) Century Enka Limited	0.04	0.04
225 (March 31,2016 : 225) Garware Nylons Limited (Refer Note i below)	0.02	0.02
100 (March 31,2016 : 100) J.K.Cement Limited	-	-
28 (March 31,2016 : 28) Shree Synthetics Limited (Refer Note i below)	0.01	0.01
<b>(ii) Unquoted : At Cost</b>		
<b>(a) Investment in Equity Shares</b>	-	-
3,460 (March 31,2016 : 3,460) Modi Intercontinental Pvt Ltd	0.35	0.35
15,126 (March 31,2016 : 15,126) Haryana distliery limited (Refer Note ii and iii below)	0.00	0.00
15,126 (March 31,2016 : 15,126) Rajputana Fertilizer limited (Refer Note ii and iii below)	0.00	0.00



**(b) Investment in preference shares**

165 (March 31, 2016 : 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, 2016 : 328) 0.00 0.00

Modi Industries Limited

**0.44 0.44**

Carrying amount of quoted  
investments 0.09 0.09

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 financial year 2014-15 of Haryana Distliery 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.

**NOTE NO.- 14 : LOAN AND ADVANCES**

(₹ in Lakhs)

	Non-Current		Current	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
<b>Security Deposits</b>	26.33	25.74	-	-
(Unsecured, considered good)				
<b>Advances recoverable in cash or in Kind</b>	-	-	30.12	29.12
(Unsecured, considered good)				
<b>Other Loans and advances (Unsecured considered good)</b>				
Balance with Statutory/Gov- ernment Authorities	1.99	1.99	-	-
<b>Others (Doubtful)</b>				
Amount recoverable			1.22	1.18
Others			562.69	562.69
			563.91	563.87
Less: Provision for Doubtful loans and advances			(563.87)	(563.87)
	<b>28.32</b>	<b>27.73</b>	<b>30.18</b>	<b>29.13</b>

**NOTE NO. 15: OTHER ASSETS**

(₹ in Lakhs)

	As at 31.03.2017	As at 31.03.2016
Other Non-Current Assets (refer Note 16)*	58.52	58.40
Income Accured on Commission / Brokerage	0.00	-
Interest accrued on fixed deposits	3.07	1.97
	<b>61.60</b>	<b>60.37</b>

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 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
<b>Cash &amp; Cash Equivalents</b>				
Balances with Scheduled banks :				
On current accounts	-	-	4.67	6.76
Cheques in hand	-	-	-	-
Cash in hand	-	-	0.42	0.10
	<b>-</b>	<b>-</b>	<b>5.09</b>	<b>6.86</b>
<b>Others Bank Balances</b>				
Balance with Bank held as margin money against guarantees	58.40	58.40	-	-
Silver Coin	-	-	0.01	0.01
Less: Disclosed under Other Non- current assets (Refer Note 15)	(58.40)	(58.40)	-	-
	<b>-</b>	<b>-</b>	<b>0.01</b>	<b>0.01</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5.11</b>	<b>6.87</b>

**NOTE 17 : OTHER INCOME**

(₹ in Lakhs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Income on FDR	1.23	3.27
Interest From Commission / Brokerage	0.00	-
Rental Income	-	0.09
Provision written back	-	10.82
Other non operating income	0.56	3.45
Income Tax Refund	-	307.56
	<b>1.79</b>	<b>325.18</b>

**NOTE 18 : EMPLOYEE BENEFIT EXPENSE**

(₹ in Lakhs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonus	61.51	44.52
Gratuity	1.18	0.88
Staff Welfare Expenses	41.93	3.55
	<b>104.62</b>	<b>48.95</b>

**NOTE 19 : FINANCE COST**

(₹ in Lakhs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Expense		
Interest on unsecured loan (refer Note 31 (c) (iii))	134.74	167.70
Interest on Bank loan (refer Note 31 (b))	10.87	96.71
	<b>145.61</b>	<b>264.41</b>

**NOTE 20 : OTHER EXPENSES**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Rent	-	42.63
Repairs	-	-
Buildings	-	-
Others	0.38	-
Motor car expenses	4.83	5.46
General Charges	7.45	1.72
Postage & telegram	1.43	4.75
Office maintenance expenses	-	1.53
Telephone Charges	-	-
Filing Expenses	0.13	3.12
Approval Fee - BSE Ltd.	1.15	-
Books & Periodicals	0.30	-
Interest paid on TDS	1.52	-
Offer Fee - SEBI	5.00	-
Payment to Auditors (refer details in (a) below)	4.60	2.34
Advertisement Expenses	1.31	99.96
Security Expenses	8.67	-
Business promotion expenses	136.28	48.96
Travelling expenses ( refer note (b) below )	6.42	13.10
Legal & professional charges	50.14	14.09
Retainer Ship Expenses	2.61	8.05
Other general expenses	-	6.09
Power & Fuel	-	2.67
Commission	-	0.05
Annual Listing Fee	2.56	-
AGM Expenses	4.52	-
NSDL Fee	0.16	-
MCA Fees	0.04	-
	<b>239.48</b>	<b>254.51</b>
<b>a) Auditor's remuneration</b>		
As Statutory Auditor	4.60	2.11
For tax audit fees	-	-
For company law matters	-	-
For reimbursement of expenses	-	0.24
	<b>4.60</b>	<b>2.34</b>
<b>b) Expenditure in Foreign Currency</b>		
Travelling	-	-
	-	-

**NOTE 21 : EXCEPTIONAL ITEMS**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit on sale of Fixed Assets	271.87	815.38
	<b>271.87</b>	<b>815.38</b>

**NOTE 22 : EARNINGS PER SHARE (EPS)**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit/(Loss) before tax, and dividend	(217.32)	637.06
<b>Add/(Less):</b>		
Dividend on Preference Shares (Including Dividend Tax)	-	-
Profit/(Loss) after tax	(217.32)	637.06
Number/Weighted Average number of equity shares outstanding at the end of the year	93.64	78.38
Nominal value of equity shares	10.00	10.00
<b>Basic Earnings per share</b>	<b>(2.32)</b>	<b>8.13</b>
<b>Diluted Earnings per share</b>	<b>(2.32)</b>	<b>8.13</b>

**NOTE 23 : CONTINGENT LIABILITIES AND NOTES**

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

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
(i) Income Tax (Refer note (c) below)	217.55	217.55
(ii) Sales Tax/ Excise/ Customs Duty (Refer note (b) below)	2,670.40	2,670.40
(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	Amount of Disputed Dues (₹)
Sales Tax Laws	Sales Tax	2004-05 2005-06 2006-07	94.22 1428.88 1010.75
Sales Tax Laws	Sales Tax	1991-92	1.41
Sales Tax Laws	Sales Tax	2007-08	12.43
Customs Law	Customs Duty	1982-83	74.66
	Customs Duty	2002-03	19.39
The Uttar Pradesh Water Supply and Sewerage (Amendment) Act, 1999	Water Tax	1997-98 & 1998-99	7.11
Central Excise Law	Excise Duty	1983-84	115.75
Income tax Act, 1961	Non-Deduction of TDS	2006-07 to 2008-09	107.71 109.84
Civil Suit	Trade payables	2008-09	95.08
Civil Suit	Trade payables	2009-10	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 company 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 31st March, 2008, has not been provided in the Books of Account as the same are being disputed by the company. The amount of interest for the 108 months period ended 31st March, 2017 is not ascertainable.

**Note 24 :**

Balance confirmation certificates were not obtained by the Company from creditors, 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 30th September, 2007 and sale of all moveable assets including Plant & machinery during the year 2009-10. However, once the liabilities of the company towards secured creditors are cleared, the company will start business operations. The Manufacturing Operations of the Company have been closed with effect from 19th May, 2007. In terms of the provisions of the Uttar Pradesh Industrial Disputes Act, 1947, the Closure has become operative from the date of expiration of the period of 90 days from the date of application i.e. on 8th September, 2007.

**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. 1st June, 2013. The Central Government approval for managing director's remuneration had been received on 28th July, 2014 for the period of ten months falling under the provisions of Companies Act, 1956 i.e. upto 31st March, 2014. For the remaining period of four years and two months, the members, in their meeting held on 30th September, 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 18th April, 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 2nd October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company has not collected the relevant information. Since the information is not readily available, no disclosures/provision for interest has been made in the Books of Account.

**Note 29 : Exceptional Items in Statement of Profit and Loss includes :**

Profit on sale of Non factory building ₹ 271.87 (March 31, 2016: ₹ 815.38) lakhs being excess of amount received over cost ₹ 6.69 (March 31, 2016: ₹ 22.85) lakhs.

**Note 30 :**

- (a) Since the Net Book value of Land, Residential buildings at Modinagar, Office premises outside Modinagar and factory/ administrative building in Modinagar are lower than the Net Realisable Value as per Valuer's Report / Management's estimate, no provision for diminution is required to be made and the net book Value of ₹ 230.88 lakhs as on 31st March 2017 (₹ 237.57 lakhs as on 31st March 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 ₹ 10.25 lakhs for the year ended March 31, 2017 (Previous year: ₹ 91.89 lakhs).
- (c) (i) Loan liability of ₹ 749.20 lakhs to Karnatka 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".

During the financial year 2016-17, interest of ₹ 41.90 lakhs has been provided on loan repaid by Ashoka Mercantile Limited under this OTS deal.

- (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".

During the financial year 2016-17, interest of ₹ 21.04 lakhs has been provided on loan repaid by Ashoka Mercantile Limited under this OTS deal.

- (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.

During the financial year 2016-17, interest of ₹ 16.06 lakhs has been provided on loan repaid by Ashoka Mercantile Limited under this OTS deal.

**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 )	Enterprises owned or significantly influenced by individual or their relatives, who have control or significant influence over the company and with whom transactions have taken place during the year.
2. Modi Industries Limited ( MIL )	
3. Weld Excel India Limited ( WEIL )	
4. Modi Intercontinental Pvt. Ltd. (MIPL)	
5. Modi Rubber Ltd.	
6. Modi SPG & WVG Mills Co. Ltd	
7. Modi Sugar Works	
8. Status Mark Finvest Ltd	
1. M.K Modi- Chairman	Key Management Personnel
2. Manish K. Modi- Managing Director	
3. Vineet Kumar Thareja - Company Secretary	

**b) Transactions during the year with related party**

(Amount ₹ in Lakhs)

	Particulars	Enterprise having significant Influence	Key Management Personnel	Total
i)	Director's Remuneration	-	18.76 (18.76)	18.76 (18.76)
ii)	Expenses realised	- (14.48)	-	- (14.48)
(iii)	Loan Taken	285.00 (599.50)	-	285.00 (599.50)
(iv)	Loan Repaid	373.86 (4.62)	-	373.86 (4.62)
(v)	Interest on Loan	180.24 (165.88)	-	180.24 (165.88)
(vi)	Equity Share Capital Issued	373.86 -	-	373.86 -
(vii)	Reimbursement Received	22.32 -	-	22.32 -
(viii)	Reimbursement Paid	1.00 -	-	1.00 -

\* Figures in brackets represents corresponding amounts of previous years.

**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, 2017		For the year ended March 31, 2016	
		Amount in ₹	% ge	Amount in ₹	% ge
i)	<b>Director's Remuneration</b> Manish K. Modi	18.76	100.00	18.76	100.00
ii)	<b>Expenses realised</b> Weld Excel India Limited ( WEIL )	-	-	(14.48)	100.00
iii)	<b>Loan taken</b> Status Mark Finvest Ltd Modi Intercontinental Pvt Ltd	285.00 -	100.00 -	- 599.50	- 100.00
iv)	<b>Loan repaid</b> Ashoka Mercantile Limited (AML) Modi Intercontinental Pvt Ltd	- 373.86	- 100.00	4.62 -	100.00 -
v)	<b>Equity Share Capital Issued</b> Modi Intercontinental Pvt Ltd	373.86	100.00	-	-
vi)	<b>Reimbursements received</b> Ashoka Mercantile Limited ( AML )	22.32	100.00	-	-
vii)	<b>Reimbursements Paid</b> Modi Industries Ltd	1.00	100.00	-	-
viii)	<b>Interest on Loan</b> Ashoka Mercantile Limited ( AML ) Modi Intercontinental Pvt Ltd Status Mark Finvest Ltd	177.41 - 2.83	98.43 - 1.57	132.09 33.79 -	79.63 20.37 -

**d) Details of outstanding balance amount with related parties**

Name of the related party	Nature of relationship	Amount outstanding as on:	
		March 31, 2017	March 31, 2016
1. Ashoka Mercantile Limited ( AML )	Enterprise having significant Influence	1,978.99	1,883.45
2. Modi Industries Limited ( MIL )		4.90	3.90
3. Weld Excel India Limited ( WEIL )		14.48	14.48
4. Modi Intercontinental Pvt. Ltd. (MIPL)		225.64	599.50
5. Modi Rubber Ltd.		44.16	44.16
6. Modi SPG & WVG Mills Co. Ltd		64.55	64.55
7. Modi Sugar Works		2.16	2.16
8. Status Mark Finvest Ltd		285.00	-
1. Manish K. Modi- Managing Director	Key Management Personnel		-
3. Narayan Chandra Rout- CFO			-
4. Vineet Kumar Thareja - Company Secretary			-

**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 : Disclosure on Specified Bank Notes (SBNs):**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 31 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other denomination notes
Cash in Hand on 8th November 2016	50,000.00	-
Permitted receipt	-	-
Permitted payment	-	-
Amount deposited in bank	50,000.00	-
Closing balance as at December 31, 2016	-	-

**Note 34:** In view of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at 31st March, 2017.

**Note 35:** Sundry debtors, creditors, loans and advances are subject to confirmation.

**Note 36:** Figures of previous year have been re-grouped and re-arranged wherever found necessary.

**Note 37:** Figures have been rounded off to the nearest Lakh.

As per our Audit Report of even date attached

**For B.M. Chatrath & Co.**  
**Chartered Accountants**  
**Regn. No. 301011E**

**For & on behalf of Board of Directors**

CA. Bharat C. Swain  
Partner  
M. No. 501999

(Mahendra Kumar Modi)  
Chairman  
DIN 000013594

(Vineet Kumar Thareja)  
Company Secretary

(Manish K. Modi)  
Managing Director  
DIN 00030036

Place : New Delhi  
Dated : 12th May, 2017

(Narayan C. Rout)  
Chief Financial Officer

**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 50th ANNUAL GENERAL MEETING of the Company held on Friday, the 29th September, 2017 at 1.30 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 50th Annual General Meeting of the company, to be held on Friday, the 29th September, 2017 at 1.30 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)



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