



**modipon
limited**

51ST ANNUAL REPORT 2017-18

BOARD OF DIRECTORS

Dr. M. K. Modi	Chairman
Mr. Manish K. Modi	Managing Director
Mr. Ranvir Prasad, IAS	Independent Director
Mr. Shashi Kant Ranjan	Independent Director
Mr. Vivek Gupta	Independent Director
Mrs. Aditee Modi	Woman Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vineet Kumar Thareja

CHIEF FINANCIAL OFFICER

Mr. Vikas Bhatia

BANKERS

HDFC & Punjab National Bank

AUDITORS

Messrs B. M. Chatrath & Co.
Chartered Accountants
D-26, Sector -3,
Noida 201 301 (U.P.)
Ph. : 0120-4742016/17

REGISTERED OFFICE

Hapur Road,
Modinagar - 201 204
District : Ghaziabad (U.P.)
Ph. : 01232-243471

REGISTRAR AND TRANSFER AGENT

MAS Services Limited
T-34, 2nd Floor,
Okhla Industrial Area, Phase-II,
New Delhi - 110 020
Ph. : 011-26387281/82/83

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MODIPON LIMITED

CIN: L65993UP1965PLC003082

Regd. Office: Hapur Road, Modinagar - 201204 (U.P.)

Email: modipon@modimangal.in

vkthareja@modimangal.in

Website: www.modipon.net

NOTICE

Notice is hereby given that the 51st Annual General Meeting of Modipon Limited will be held on Saturday, the 25th August, 2018 at Modipon Compound Opposite Nagar Palika, Modinagar-201204 at 01:30 P.M. to transact the following business:

ORDINARY BUSINESSSES

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended on March 31, 2018 and the Report of Board of Directors of the Company and Independent Auditors' report thereon.

SPECIAL BUSINESSSES

2. Appointment of Mr. Shashi Kant Ranjan (DIN: 06651522) as Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, read with Schedule IV of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modifications or re-enactment thereof for the time being in force) ("the Act") and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, MR. SHASHI KANT RANJAN (DIN: 06651522), who was appointed as Additional Director by the Board of Directors effective December 27, 2017 in terms of the provisions of Section 161 of the Act and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (Five) years effective December 27, 2017."

3. Reappointment of Mr. Manish Kumar Modi (DIN: 00030036) as Managing Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for reappointment of Mr. Manish Kumar Modi as Managing Director of Company.

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), subject to approval of Central Government and such other consents and permission as may be necessary, Mr. Manish Kumar Modi, DIN:00030036 be and is hereby reappointed as Managing Director of the Company for a period of 5 years with effect from June 01, 2018 on the remuneration and terms and conditions as recommended by the nomination and remuneration committee and as set out below:

1. Salary: Nil
2. Commission on Net Profit: Nil
3. Perquisites: In addition, he shall be entitled to the following perquisites:

Category 'A':

- (i) **HOUSING:** Free Furnished Accommodation; the hiring monthly expenditure of which shall not increase Rs. 45,000/-. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishing shall be on actual basis.
- (ii) **MEDICAL:** Expenses incurred for self and his family member subject to a ceiling of Rs. 75,000 in a year or Rs. 2,25,000/- over a period of three year.

(iii) **LEAVE TRAVEL CONCESSION:** For Self and his family member once in a year incurred in accordance with the Rules specified by the Company.

(iv) **CLUB FEES:** Fees of Clubs subject to maximum of two Clubs.

(v) **PERSONAL ACCIDENT INSURANCE:** As per the Company Policy.

CATEGORY 'B':

He shall also be entitled for the following, which will not be considered as perquisites:

- (a) Provision of Car with driver for use on Company's business.
- (b) Two Telephones and Wi-Fi at his residence and a Mobile Phone.

He shall also be entitled to the reimbursement of all the expenses actually and properly incurred by him for or in connection with the Company's business."

By Order of the Board of Directors
For Modipon Limited



(Vineet Kumar Thareja)
Company Secretary

Dated: 18th July, 2018

Notes:

1. A member entitled to attend and vote at the Annual General Meeting ("the meeting") is entitled to appoint a proxy/ proxies to attend and vote instead of himself / herself. Such a proxy/ proxies need not be a member of company.

The instrument appointing the proxy, in order to be effective, should be duly signed and completed and must be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the Meeting.

A person can act as a proxy on behalf of Members not more than exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member.

2. Corporate Members intending to send their representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature of the representative(s) authorised to attend and vote on their behalf at the Meeting. Proxies submitted on behalf of Corporate Members must be supported by an appropriate Board Resolution.
3. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. The requirement for ratification of appointment of Auditors by Members at each Annual General Meeting has been omitted as per Section 40 of the Companies (Amendment) Act, 2017 (notified on May 7, 2018). Accordingly, resolution for ratification of appointment M/s B.M. Chatrath & Co., Statutory Auditors, who were appointed at the Annual General Meeting held on September 30, 2016 is not included in this Notice.
5. The register of members and share transfer books of the Company will remain closed from Sunday, 19th August, 2018 to Saturday, 25th August, 2018 (both days inclusive).
6. 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 12th July, 2018.
7. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Accordingly, Members holding shares in dematerialized form are requested to

submit the PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN to the Company/Registrar & Share Transfer Agent.

8. 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/Depositories 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.

Members are requested to register/update their email address with the Company (vkthareja@modimangal.in)/Depository Participants/info@masserv.com (RTA) for receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc. electronically.

9. Members may also note that the Notice of the 51st Annual General Meeting and the Annual Report for financial year ended March 31, 2018 will also be available on the Company's website www.modipon.net for their download. The relevant documents referred to in the accompanying Notice and Explanatory Statement will be kept open for inspection by the members at the Registered Office of the Company during normal business hours on working days except Saturdays, Sundays and Public holidays upto the date of this Annual General Meeting. The aforesaid documents will also be available for inspection by Members at the Meeting. 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.

10. Voting Rights: Shareholders holding Equity Shares shall have one vote per share as shown against their holding and shareholders.

11. 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.

12. 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.

13. 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.

14. Members may please note that no gifts/ gift coupons shall be distributed at the venue of the Annual General Meeting.

15. 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 Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its 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 address 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:

- I. 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.
 - 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: rkvac@gmail.com with a copy marked to 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):
 - i. Initial password is provided in the enclosed Ballot Form: EVEN, user id and password.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) as mentioned in (I) above, to cast vote.
 - iii. 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.
- III. Other Instructions:
 - a. Members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date, i.e. 18th August, 2018 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 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.

- c. The remote e-voting period commences on 22nd August, 2018 at 09:00 A.M. and ends on 24th August, 2018 at 05:00 P.M. The remote e-voting module shall be disabled after 05:00 PM on 24th August, 2018 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 011-46082222/01232-243471 and/or at email 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. Mr. Ranjeet Kumar Verma, 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.
 - g. 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.
- IV. 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 : 18th July, 2018
Place : New Delhi

(Vineet Kumar Thareja)
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No: 2

Mr. Shashi Kant Ranjan was appointed as an Additional Director by the Board of Director w.e.f. December 27, 2017, in accordance with the provisions of Section 161(1) of the Companies Act, 2013, (as amended or re-enacted from time to time) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and Article 97 of the Articles of Association of the Company. The above director holds office up to the date of the ensuing Annual General Meeting.

Mr. Shashi Kant Ranjan has given his consent to act as a Director of the Company. Also, as per confirmation received from him, he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and meets the criteria of Independence as prescribed under the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Shashi Kant Ranjan proposed to be appointed as Independent Director fulfils the conditions specified in the Companies Act, 2013 and is independent of the Management.

The Board feels that presence of Mr. Shashi Kant Ranjan on the Board is desirable and would be beneficial for the Company and hence recommend his regularization on the board.

None of the Directors, except Mr. Shashi Kant Ranjan is concerned or interested in this resolution. The Board recommends resolutions under Item no. 2 for approval of members as an Ordinary Resolution.

Item No: 3

Mr. Manish Kumar Modi was appointed as the Managing Director of the Company w.e.f. 01st June, 2013 for a period of 5 years and his tenure will be completed on May 31, 2018. Accordingly, Mr. Manish Kumar Modi has offered himself for reappointment as Managing Director for a further period of 5 years subject to approval of Shareholders, Central Government and other authorities as may be required in this context. The reappointment of Mr. Manish Kumar Modi including the terms and conditions and remuneration has also been considered and recommended by the Nomination and Remuneration Committee. However as the status of Mr. Manish Kumar Modi has been changed from Resident to Non Resident of India, accordingly, the reappointment would be subject to approval of Central Government in accordance with Section 197 read with Schedule V of the Companies Act, 2013. The Board recommends resolutions under Item no. 3 for approval of members as an Ordinary Resolution.

None of the Directors, except Mr. Manish Kumar Modi, Dr. M K Modi and Mrs. Aditee Modi are concerned or interested in this resolution. The Board recommends resolutions under Item no. 3 for approval of members as an Ordinary Resolution.

Details of directors seeking Appointment/Reappointment at the Annual General Meeting

Name of Director	Shashi Kant Ranjan	Mr. Manish Kumar Modi
Date of Birth and Age	10.08.1988	27.07.1968
Expertise in specific functional area	Company Secretary in Practice	Entrepreneur & having good expertise in the manufacturing industries and IT Sector
Qualifications and experience	Company Secretary	Bachelor Degree in Computer Science and MBA from Columbia University
No. of shares held in the Company	Nil	39,339
Directorship in other companies	Nil	12
Membership/ Chairmanship of committees in other companies	NIL	2
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	NA	Dr. M. K. Modi is the father of Mr. Manish K. Modi and Mrs. Aditee Modi is the wife of Mr. Manish K. Modi.
Terms and conditions of appointment including remuneration sought to be paid	-	-
Remuneration last drawn	-	18.76 Lacs (Till March, 2018)
Date of first appointment on the Board	27.12.2017	01.08.2005
Number of Board meeting attended during the year	2	7

By Order of the Board of Directors
For Modipon Limited



Dated : 18th July, 2018
Place : New Delhi

(Vineet Kumar Thareja)
Company Secretary

DIRECTORS' REPORT

To the Shareholders,

Your Directors have pleasure in presenting the 51st Annual Report with Audited Financial Statements for the financial year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS	2017-18 ₹ Lacs	2016-17 ₹ Lacs
Turnover	-	-
Other Income	21.42	1.79
Gross Profit (Loss) before Dep.	(518.87)	(487.92)
Depreciation	1.36	1.27
Profit/(Loss) after Depreciation	(520.23)	(489.19)
Add/(Less) Exceptional Income/ (Losses)	61.17	271.87
Profit/ (Loss) before Tax	(459.06)	(217.32)
Less/ (Add) :		
Provision for Taxation- Fringe Benefit Tax	-	-
Extra Ordinary item Taxes for earlier Year	-	-
Net Profit/(Loss) after Tax	(459.06)	(217.32)

CLOSURE OF MANUFACTURING OPERATIONS

As reported earlier, the factory 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 initiated the proceedings against the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 before the NCLT, Allahabad Bench and other proceedings before DRT-II and Recovery Officer, DRT-II, New Delhi.

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 has taken on record some new projects along with the real estate business. The Company proposes to commence new project at an opportune time.

BOARD MEETINGS

The Board of Directors met 7 (Seven) times during the period from 1st April, 2017 to 31st March, 2018. The Directors met on 12th May, 2017, 20th July, 2017, 14th August, 2017, 30th August, 2017, 14th November, 2017, 27th December, 2017 and 07th February, 2018.

DIVIDEND

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

OPERATIONS

During the year under review, the Company had not earned any revenue from the operations and has reported a loss after tax of Rs. (459.06) lacs after taking into account exceptional income.

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/ Cessation
1.	MR. SHASHI KANT RANJAN	INDEPENDENT DIRECTOR	APPOINTED ON 27.12.2017
2.	MR. HEMANT KUMAR SINGH	INDEPENDENT DIRECTOR	RESIGNED ON 28.09.2017

Mr. Shashi Kant Ranjan was appointed as the Additional Director w.e.f. 27th December, 2017 by the Board of Directors. Further in the meeting of Board of Directors held on July 18, 2018, the Board has given their consent for regularization of his appointment as Independent Director subject to approval of shareholders at this Annual General Meeting. The terms of appointment of Mr. Shashi Kant Ranjan were issued by the Managing Director of the Company and are available for viewing on the website of the Company viz. www.modipon.net.

Mr. Manish Kumar Modi was appointed as the Managing Director of the Company w.e.f. 01st June, 2013 for a period of 5 years and his tenure completed on May 31, 2018. Accordingly, Mr. Manish Kumar Modi has offered himself for reappointment as Managing Director for a further period of 5 years. The reappointment of Mr. Manish Kumar Modi including the terms and conditions and remuneration has also been considered and recommended by the Nomination and Remuneration Committee and the approval of the Board was also obtained in the meeting dated May 28, 2018. Now the same has been put forward for approval of shareholders in this Annual General Meeting. And thereafter an application will be made to Central Government for their approval in accordance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013 as the status of Mr. Manish Kumar Modi has been changed from Resident to Non Resident of India.

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 & Compliance Officer and Mr. Vikas Bhatia, Chief Financial Officer were designated as Key Managerial Personnel of the Company.

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 reconstituted during the year 2017-18. Mr. Shashi Kant Ranjan 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 12th May, 2017, 14th August, 2017, 30th August, 2017, 14th November, 2017 and 07th February, 2018.

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(1) and Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has reconstituted the Nomination & Remuneration Committee during the year 2017-18. The Nomination & Remuneration Committee consist 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. Shashi Kant Ranjan as Members of the Committee.-

The said Committee met on 20th July, 2017, 27th December, 2017 and 07th February, 2018.

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

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with Section 178(5) of the Companies Act, 2013, the Company has reconstituted the Stakeholders' Relationship Committee during the year 2017-18. The Stakeholders' Relationship Committee consist of three members. Dr. M. K. Modi is the Chairman of the said Committee with Mrs. Aditee Modi and Mr. Shashi Kant Ranjan as Members of the Committee.

The said Committee met on 07th February, 2018.

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.

VIGIL MECHANISM

In compliance with Section 177 (9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing obligations and Disclosures Requirements) Regulations, 2015, the Company has framed a whistleblower policy which can be viewed on Company's website www.modipon.net. In terms of the said policy the Directors and employees are given direct access to the Chairman of the Audit Committee to report on alleged wrongdoings.

EXPORTS

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

WHISTLE BLOWER POLICY

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

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no material weakness was observed. 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.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

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

AMOUNT, IF ANY, PROPOSED TO BE TRANSFERRED TO RESERVES

During the year under review, the Company has not transferred any money towards General Reserve.

PERSONNEL

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

The Company has 6 (Six) No. of employee as on 31.03.2018.

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 2017-18	% age increase in remuneration in FY 2017-18	Ratio of Remuneration to the median remuneration of employee
Mr. Manish Kumar Modi – Managing Director*	₹ 18,76,000	NIL	2.76*
Mr. Vineet Kumar Thareja – Company Secretary **	₹ 8,70,000	N.A.**	1.28
Mr. Vikas Bhatia -Chief Financial Officer***	₹ 21,00,000	N.A.***	3.09

- * The remuneration is within permissible limits as approved by MCA.
 - ** Remuneration paid to him includes Medical Reimbursement.
 - *** Appointed also as CFO (KMP) w.e.f. 20.07.2017, remuneration taken as above is for a period of (9) Nine Months.
- b. The Median remuneration (based on salary) of employees of the Company during the financial year 2017-18 was ₹ 6,80,000/-.
- c. The percentage increase in the median remuneration (based on salary) of employees in the financial year 2017-18 was 6%.
- d. 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.
- e. 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.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF FINANCIAL YEAR AND TILL THE DATE OF THIS REPORT:

There has been no material change and commitment, affecting the financial performance of the Company occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

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 Annual General Meeting held on 30th September, 2016. The requirement for ratification of appointment of Auditors by Members at each Annual General Meeting has been omitted as per Section 40 of the Companies (Amendment) Act, 2017 (notified on May 7, 2018).

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.

REPORTING OF FRAUDS:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and /or Board under Section 143(12) of the Act and Rules framed thereunder.

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, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that in view of the permanent closure of the Manufacturing Operations of the Company, the Directors had not prepared the Annual Accounts on a going concern basis.
- (v) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SUBSIDIARY COMPANIES

The Company does not have any Subsidiary Company.

EXTRACT OF THE ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Extract of the Annual Return of the Company made up as at the end of the Financial Year i.e. 31st March, 2018 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, 2017 to 31st March, 2018.

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 2018-19 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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.

No related party transaction in 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 2017-18, is enclosed as Annexure – 3.

FORMAL ANNUAL EVALUATION

As required under Section 134 (p) of the Companies Act, 2013 read with Regulation 17 and 19 and part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) 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 read with Regulation 17 and 19 and part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) 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.

DISCLOSURE ON CONFIRMATION WITH THE SECRETARIAL STANDARDS:

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India have been duly complied with.

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.


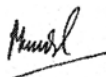
STATUTORY DISCLOSURES

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

(Manish K. Modi) (M. K. Modi)

Dated : 18th July, 2018

Managing Director Chairman

ANNEXURE-1
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on March 31, 2018

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-govt company
5.	Address of the Registered office & contact details	Hapur Road, Modi Nagar, Modi Nagar, Uttar Pradesh 201204 India Tel: 011-46082222
6.	Whether listed company	Listed Company
7.	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	6810	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:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 st April, 2017]				No. of Shares held at the end of the year [As on 31 st March, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	327777	13430	341207	2.95	327777	13430	341207	2.95	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3299546	3738632	7038178	60.80	3299646	3738632	7038278	60.80	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	3627323	3752062	7379385	63.74	3627423	3752062	7379485	63.74	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a)NRI-Individuals	-	-	-	-	-	-	-	-	-
b)Other-Individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corp.	-	-	-	-	-	-	-	-	-
d)Banks/FI	-	-	-	-	-	-	-	-	-
e)Any other	-	-	-	-	-	-	-	-	-
Sub Total(A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	3627323	3752062	7379385	63.74	3627423	3752062	7379485	63.74	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	7100	7100	0.06	-	7100	7100	0.06	-
b) Banks / FI	100	375	475	0.01	100	375	475	0.01	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	1301974	-	1301974	11.25	1301974	-	1301974	11.25	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	196636	50	196686	1.70	153252	50	153302	1.32	(0.38)
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Foreign Portfolio Investor)	1115304	-	1115304	9.63	1115304	-	1115304	9.63	-
Sub-total (B)(1):-	2614014	7525	2621539	22.64	2570630	7525	2578155	22.27	(0.38)

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	617999	24271	642270	5.55	618888	24271	643159	5.56	0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	383517	379636	763153	6.59	371554	372209	743763	6.42	(0.17)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	102215	22941	125156	1.08	165126	22941	188067	1.62	0.54
c) Others (NRI/OCB)	42252	550	42802	0.37	41084	-	41084	0.35	(0.02)
d) Any other (clearing members)	2384	-	2384	0.02	2426	550	2976	0.03	0.01
Sub Total (B)(2)	1148367	427398	1575765	13.61	1199078	419971	1619049	13.99	0.38
Total Public Shareholding (B) = (B) (1) + (B) + (2)	3762381	434923	4197304	36.26	3769708	427496	4197204	36.26	-
Total (A) + (B):-	7389704	4186985	11576689	100	7397131	4179558	11576689	100	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C)	7389704	4186985	11576689	100	7397131	4179558	11576689	100	-

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	
PROMOTERS/PERSONS HAVING CONTROL OVER THE COMPANY:								
1.	Smt. Ginni Devi Modi	2524	0.02	-	2524	0.02	-	-
2.	Mr. Mahendra Kumar Modi	211	0.00	-	211	0.00	-	-
3.	Mr. Mahendra Kumar Modi (HUF)	28302	0.24	-	28302	0.24	-	-
4.	Ms. Veena Modi	259925	2.25	-	259925	2.25	-	-
5.	Mr. Manish Kumar Modi	39339	0.34	-	39339	0.34	-	-
6.	Ms. Ruchika Modi	5458	0.05	-	5458	0.05	-	-
7.	Ms. Aditee Modi	5448	0.05	-	5448	0.05	-	-
PROMOTER GROUP/PERSONS ACTING IN CONCERT (BODIES CORPORATE)								
8.	Daisy Investment Pvt. Ltd	730939	6.31	-	730939	6.31	-	-
9.	Status Mark Finvest Limited	966673	8.35	-	-	-	(8.35)	-
10.	Modi Intercontinental Pvt. Ltd.	3785077	32.70	-	3785177	32.70	-	-
11.	Modi Industries Limited	700000	6.05	-	700000	6.05	-	-
12.	Ashoka Mercantile Limited	855489	7.39	-	1822612	15.74	8.35	-

(iii) Change in Promoters' Shareholding:

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2017		Transactions during the year			Cumulative Shareholding at the end of the year – 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	Reason	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1.	Ashoka Mercantile Ltd.						-	-
	At the beginning of the year	855489	7.39	-	-		-	-
	Increase/ decrease in promoters shareholding during the year specifying the reasons for increase/ decrease	-		05.03.2018	966673	Inter-se Transfer between the promoter entities due to internal restructuring	-	-
	At the end of the year						1822162	15.74
2.	Status Mark Finvest Ltd.							
	At the beginning of the year	966673	8.35				-	-
	Increase/ decrease in promoters shareholding during the year specifying the reasons for increase/ decrease			05.03.2018	(966673)	Inter-se Transfer between the promoter entities due to internal restructuring		
	At the end of the year						-	-

3.	Modi Intercontinental Pvt. Ltd.							
	At the beginning of the year	3785077	32.70					
	Increase/ decrease in promoters shareholding during the year specifying the reasons for increase/ decrease			06.06.2017	100	In terms of compliance of Regulation 3 (2), Regulation 3 (1) read with Regulation 3 (3) of SEBI (SAST) Regulation, 2011		
	At the end of the year						3785177	32.70

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

Sl. No	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the Year(31.03.2018)	
		No. of shares (01.04.2017)	% of total shares of the company				No. of shares	% of total shares of the company
1.	U.P. State Industrial Development Corporation	1301974	11.25	-	-	-	1301974	11.25
2.	AMPS Investment Fund Limited (Formerly known as Mavi investment Pvt.Ltd.)	776009	6.70	-	-	-	776009	6.70
3.	Rajputana Fertilizers limited	460334	3.98	-	-	-	460334	3.98
4.	Creasta Fund Limited	339295	2.93	-	-	-	339295	2.93
5.	Life Insurance Corporation Of India	196636	1.70	01.04.2017 31.03.2018	43334	-	153302	1.32
6.	Hitesh Ramji Javeri	58967	0.51	-	-	-	58967	0.51
7.	Laoleen Investment Pvt. Ltd.	41596	0.36	-	-	-	41596	0.36
8.	Mahendra Girdharilal	38714	0.33	-	-	-	38714	0.33
9.	Umesh Kumar Modi	38290	0.33	-	-	-	38290	0.33
10.	Sudha Commercial Company Ltd.	35900	0.31	-	-	-	35900	0.31

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 at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the Year(31.03.2018)	
		No. of shares (01.04.2017)	% of total shares of the company				No. of shares	% of total shares of the company
A. <u>DIRECTORS</u>								
1.	Mahendra Kumar Modi, Chairman-Promoter	211	0.00	-	-	-	211	0.00
2.	Manish Kumar Modi, Managing Director-Promoter	39339	0.34	-	-	-	39339	0.34
3.	Aditee Modi, NED-Promoter	5448	0.05	-	-	-	5448	0.05
B. KEY MANAGERIAL PERSONNEL (KMP'S)								
1.	Vikas Bhatia, Chief Financial Officer	-	-	-	-	-	-	-
	Vineet Thareja, Company Secretary	-	-	-	-	-	-	-

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

V) 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
Indebtedness at the beginning of the financial year 01.04.2017				
i) Principal Amount	44,626	72,515		
ii) Interest due but not paid		24,602		
iii) Interest accrued but not due		-		
Total (i + ii + iii)	44,626	97,117		
Change in Indebtedness during the financial year				
Addition				
Reduction				
Net Change				
Indebtedness at the end of the financial year 31.03.2018				
i) Principal Amount	41,003	72,515		
ii) Interest due but not paid		24,861		
iii) Interest accrued but not due		-		
Total (i + ii + iii)	41,003	97,376	0	97640000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Thousands)

Sl. No.	Particulars of Remuneration	Manish Kumar Modi, Managing Director	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
	© 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		
	Total (A) Ceiling as per the Act	1875.99	1875.99

B. Remuneration to other directors

(₹ in Thousands)

Sl. No.	Particulars of Remuneration	Mahendra Kumar Modi	Aditee Modi	Vivek Gupta	Manish Kumar Modi	Shashi Kant Ranjan	Ranvir prasad	Hemant Kumar Singh	Total Amount
1	Independent Directors								
	Sitting Fee (Board meetings)			65	-	20	10	35	130
	Commission								
	Others, please specify								
	Total (1)			65	-	20	10	35	130
2	Other Non-Executive Directors								
	Fee for attending board committee meetings	70	40						
	Commission								
	Others, please specify								
	Total (2)	70	40						110
	Total (B) = (1 + 2)								240
	Total Managerial Remuneration								2115.99*
	Overall Ceiling as per the Act								

C. Remuneration to Key Managerial Personnel Other than Managing Director/Manager/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO (Vikas Bhatia)	Company Secretary (Vineet Kumar Thareja)	Total
1	Gross salary	2100	870	2970
	(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	2100	870	2970
	Others specify...			
5	Others, please specify			
	Total			

VII. Penalties / Punishment/ Compounding of Offences: No penalties, punishments & compounding of offences were imposed on the Company during Financial Year 2017-18:

There were no material penalties/punishment/compounding of offences for the year ending March 31, 2018.

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

(FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018)

[Pursuant to Section 204(1) of the companies Act, 2013 and rule no. 9 of the companies
(Appointment and Remuneration of managerial 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, 2018 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, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (iii) The Securities Contracts (Regulations) Act, 1956 (SCRA) and the rules made there under;
- (iv) The Depositories Act, 1996 and the regulations and bye-laws framed there under;
- (v) 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;
- (vi) The following other Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and Dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - i) 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 in this situation.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) 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:-

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. Quorum for Audit Committee Meeting

As per Regulation 18(2)(b) of SEBI (LODR) Regulation, 2015, the quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

During the year ended 31st March, 2018, the Audit Committee met five times i.e. on 12th May, 2017, 14th August, 2017, 30th August, 2017, 14th November, 2017 and 07th February, 2018.

In the beginning of the year 2017-18, the Audit Committee comprises 4 members with 3 Independent Directors. On Sep 28, 2017, Mr. Hemant Kumar Singh, Independent Director of the Company resigned from the Board. He was one of the member of the Audit Committee. To fill the gap, on Dec 27, 2017 Mr. Shashi Kant Ranjan was appointed as the Independent Director of the Company and accordingly the Audit Committee was reconstituted and Mr. Shashi Kant Ranjan was inducted as the Chairman of the Committee.

During this intermittent period, a meeting of the Audit Committee was held with the presence of one Independent Director as other Independent Director could not attend because of some exceptional circumstances.

After the appointment of Mr. Shashi Kant Ranjan, all the meetings of the Audit Committee were held with requisite quorum.

3. Compliance as per SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015

The company has been mostly complied with in respect of the LODR regulations during the period under review. Except the following of Company has delayed in filing returns:-

- (i) *Corporate Governance Compliance Report under Regulation 27(2) for quarter ended on March 31, 2017 has not been filed. For this the Management informed that the Company falls under the ambit of exempted categories as per SEBI (LODR) Regulation, 2015. A clarification in this regard has been submitted to BSE vide letter dated 12.05.2017*

4. Filing return under the Companies Act, 2013

During the year under scrutiny, company has filed all required return on time and without any late filing fees except when

company submitted return of form, MGT 14 and MGT 15 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 defaults and litigation pending in the court.

- (i) 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/-

- (ii) 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.

- (iii) 13 Cases have been filed by the company against the illegal occupants of the company's residential quarter.

- (iv) 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
M.NO- F6814
CP NO- 7463

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)

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

1. **Details of material contracts or arrangement or transactions at arm's length basis for the financial year ended 31st March, 2018**

Sl. No.	Nature of contracts/ arrangements/ transactions	Name(s) of the related party	Nature of relationship	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any
	NA	NA	NA	NA	NA	NA	NA


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


2. **Details of contracts or arrangement or transactions not at arm's length basis for the financial Year ended 31st March, 2018**

Sl. No.	Nature of contracts/ arrangements/ transactions	Name(s) of the related party	Nature of relationship	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board,

Place : New Delhi
Dated : 18th July, 2018


(Manish K. Modi)
Managing Director


(M. K. Modi)
Chairman

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, 2018 comprises Six Directors, out of which one is Chairman and one is Managing Director and remaining four are Non-Executive Directors. The Company has a Whole-time Chairman and therefore as required under regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, one half of the Board of the Company comprises Independent Directors. Whereas Dr. M. K. Modi is Chairman and Mr. Manish K. Modi is Managing Director and both are promoters. Mr. Ranvir Prasad, MD-UPSIDC, Mr. Vivek Gupta and Mr. Shashi Kant Ranjan, are Independent Directors of the Company. 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 104 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. Accordingly, the Composition of the Board is 66.67% 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) Regulations, 2015.

The Composition of the Board as on 31st March, 2018, 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
			Membership	Chairmanship	
Dr. M. K. Modi	Chairman-Promoter	9	3	1	211
Mr. Manish K. Modi	MD-Promoter	13	-	-	39,339
Mrs. Aditee Modi	NED-promoter	8	1	-	5,448
Mr. Ranvir Prasad	NED-Independent	5	1	-	-
Mr. Shashi Kant Ranjan	NED-Independent	1	2	1	-
Mr. Vivek Gupta	NED-Independent	14	2	1	-
MD - Managing Director NED - Non-Executive Director					
* Includes directorship in listed companies, public companies, private companies, alternate directorship and directorship in foreign companies. However, it does not include the directorships in companies registered under Section 8 of the Companies Act, 2013.					
**Represents Audit Committee and Stakeholders Relationship Committee					

- None of the directors hold directorships in more than 20 companies of which directorship in public companies does not exceed 10 in line with the provisions of Section 165 of the Act.
- None of the Independent Director holds the position of the Independent Director in more than seven listed companies as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015..
- Dr. M. K. Modi is the father of Mr. Manish K. Modi and Mrs. Aditee Modi is the wife of Mr. Manish K. Modi.

MEETINGS AND ATTENDANCE

During the year ended 31st March, 2018, Seven Board Meetings were held on 12th May, 2017, 20th July, 2017, 14th August, 2017, 30th August, 2017, 14th November, 2017 and 27th December, 2017 and 7th February, 2018. The last Annual General Meeting was held on

29.09.2017. Dr. M. K. Modi presided over the Annual General Meeting. The Attendance of the Directors was as under:

Name of the Directors	No. of Board Meetings Attended	Attendance at last AGM
Dr. M. K. Modi	7	Yes
Mr. Manish K. Modi	7	Yes
Mr. Ranvir Prasad	1	No
Mr. Hemant Kumar Singh	4	No
Mr. Shashi Kant Ranjan	2	No
Mr. Vivek Gupta	5	No
Mrs. Aditee Modi	5	Yes

NOTE: The details of the meeting attended by the resigned/cessation independent directors of the Company, in the Financial Year 2017-18:

- Mr. Hemant Kumar Singh: 12.05.2017, 20.07.2017, 14.08.2017 and 30.08.2017.

FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS

- Preamble: In terms of listing agreement, the company is required to Familiarise its independent directors with the Company, their role, rights, responsibilities in the Company, nature of the industry in which it operates, business model of the Company etc. through various programme.
- Objective: In view of above, Modipon Limited, has adopted the policies to familiarise the independent Directors in due compliance with the requirements.
- Familiarisation Programme: The Directors, upon appointment, are provided information Kit inter alia containing the information about the Company, brief details of the company business in past and present its Board of Director and Committees thereof, shareholding patterns, financial highlights, future prospect, annual report etc.

Additionally, as a part of familiarisation programme of Independent Directors, the appointment letter have been issued to the independent directors which inter alia covers their role, duties and responsibilities etc.

The board shall review the programme on periodical basis and shall make revision as may be required in line with the changing circumstances or requirements of the Company including on account of any amendment and modification, if any in the Act or any other law as may be applicable to the Company.

The web link is also available on the company website:<http://www.modipon.net/company-policies/code-for-independent-directors>.

C. AUDIT COMMITTEE

Pursuant to Regulation 18 of the SEBI (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. Shashi Kant Ranjan, as Chairman; (2) Mr. Vivek Gupta, as Member (3) Mr. Ranvir Prasad, as member, 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 nonpayment 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, 2018 Five Meetings were held on 12th May, 2017, 14th August, 2017, 30th August, 2017, 14th November, 2017 and 07th February, 2018 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. Shashi Kant Ranjan	1 on 07.02.2018
Mr. Vivek Gupta	5 on 12.05.2017, 14.08.2017, 30.08.2017, 14.11.2017 and 07.02.2018
Mr. Ranvir Prasad	1 on 30.08.2017
Dr. M. K. Modi	5 on 12.05.2017, 14.08.2017, 30.08.2017, 14.11.2017 and 07.02.2018

NOTE: The details of the meeting attended by the resigned/cessation independent directors members of the Committee, in the Financial Year 2017-18:

- (i) Mr. Hemant Kumar Singh: 12.05.2017, 14.08.2017, 30.08.2017

D. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was reconstituted during the financial year 2017-18 and now comprises Mr. Vivek Gupta, Chairman, Mr. Shashi Kant Ranjan, Member and Dr. M. K. Modi, Member. 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.

The said Committee met 3 times during the year i.e. on 20th July, 2017, 27th December, 2017 and 07th February, 2018. The details of attendance of member is tabulated below:

Name of the Committee Member	No. and Date of Meeting Attended
Mr. Shashi Kant Ranjan	2 and 27.12.2017, 07.02.2018
Mr. Vivek Gupta	3 and 20.07.2018, 27.12.2018, 07.02.2018
Dr. M. K. Modi	3 and 20.07.2018, 27.12.2018, 07.02.2018

NOTE: The details of the meeting attended by the resigned/cessation independent directors members of the Committee, in the Financial Year 2017-18:

- Mr. Hemant Kumar Singh: 20.07.2017

Details of remuneration paid to the Directors of the Company during the year ended on 31st March, 2018 was as under:

Directors	Salary	Commission	Perquisites and Retirement Benefits	Sitting Fees
Dr. M. K. Modi	-	-	-	0.70
Mr. Shashi Kant Ranjan	-	-	-	0.20
Mr. Ranvir Prasad	-	-	-	0.10
Mr. Vivek Gupta	-	-	-	0.65
Mrs. Aditee Modi	-	-	-	0.40

In addition to the above Rs.0.35 lac was paid to Mr. Hemant Kumar Singh, Independent Director towards the Sitting Fees in respect of Meetings attended during the year ended 31st March, 2018.

REMUNERATION POLICY

The salient features of the policy inter alia are to:

- (i) Attract, recruit and retain good and exceptional talent;
- (ii) list down the criteria for determining the qualifications, positive attributes and independence of the Directors of the Company;
- (iii) 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;
- (iii) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (iv) ensure a transparent nomination process for Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (v) 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(3)(p) of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors assessed the performance of the Independent Directors as per the criteria laid down and have recommended their continuation on the Board of the Company.

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

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

E. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee comprises of Dr. M. K. Modi, Chairman, Mrs. Aditee Modi and Mr. Shashi Kant Ranjan 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 as on 31.03.2018. 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, Mrs. Aditee Modi and Mr. Vivek Gupta as members and Mr. Vineet Kumar Thareja as the Secretary of the Committee.

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

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

G. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met during the year on 07th February, 2018 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 18th July, 2018 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 three Annual General Meetings were as under:

Year ended	Type	Location	Date	Time	No. of Special Resolution passed
31.03.2017	AGM	Modipon Compound Modinagar	29.09.2017	1.30 P.M.	3
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

Postal Ballot

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing of a special resolution through postal ballot.

Further in the Annual General Meeting held on 29th September, 2017, following resolution were passed through postal ballot.

- To alter the main object clause of the Memorandum of Association of Company.
- To adopt new Articles of Association of the Company in conformity with the Companies Act, 2013.
- To adopt new Memorandum of Association of the Company in conformity with the Companies Act, 2013.

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 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.

(C) Details of 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. 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.

It is affirmed that no personnel has been denied access to the Audit Committee

- (D) Policy on Related Party Transactions: In terms of the policy of the company, all the related party transactions are put before Audit Committee members for their approval, as and when required.
- (E) The Company has complied with all the Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. As the Company does not have any subsidiary, Regulation 24 is not applicable to the Company.

J. MEANS OF COMMUNICATION

- (a) The Unaudited Quarterly/Half Yearly Financial Results of the Company are placed before the Audit Committee/Board of Directors before the end of 45 days from the close of the quarter. The Quarterly/Half Yearly Financial Results are generally published in the Newspapers, namely, Financial Express and Naya India.
- (b) Company's Results and Official News release are being uploaded on the Company's website - www.modipon.net.

K. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting

Date and Time : 25.08.2018 at 01.30 P.M.
Venue : Modipon Compound,
Opposite Nagar Palika,
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 SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

3. Book Closure

19th August, 2018 to 25th August, 2018 (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 2018-19.

Stock Code (BSE) : 503776

Demat ISIN No. in NSDL & CDSL : INE170C01019

6. Stock Price Data

Month	The Bombay Stock Exchange Limited	
	High	Low
	₹ Per Share	₹ Per Share
April, 2017	29.10	24.75
May, 2017	32.60	26.45
June, 2017	33.95	26.65
July, 2017	40.45	30.45
August, 2017	42.80	31.05
September, 2017	42.50	32.05
October, 2017	65.85	33.85
November, 2017	59.05	39.00
December, 2017	40.00	31.90
January, 2018	40.65	30.40
February, 2018	33.55	23.40
March, 2018	32.00	24.80

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, 2018 no Shares were pending for transfer for more than 15 days. Pursuant to Regulation 40(9) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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, 2018:

Share Holding of Nominal Value of Rs.	No. of Shareholders	Percentage of Shareholders	No. of Equity Shares held	Percentage of Shareholding
1 - 5000	7,101	97.568	4,61,589	3.987
5001 - 10000	86	1.182	65,287	0.564
10001 - 20000	32	0.440	48,206	0.416
20001 - 30000	9	0.124	22,678	0.196
30001 - 40000	6	0.082	21,803	0.188
40001 - 50000	6	0.082	25,567	0.221
50001 - 100000	8	0.110	47,739	0.412
100001 and above	30	0.412	1,08,83,820	94.015
Total	7,278	100.00	1,15,76,689	100.00

Shareholding Pattern as on 31st March, 2018:

Category	No. of Share-holders	Total No. of Shares	No. of shares held in demat Form	% of Share-holding
A. Shareholding of Promoters and Promoters Group				
Individuals/Hindu Undivided Family	07	3,41,207	3,27,777	2.95
Bodies Corporate	04	70,38,278	32,99,646	60.79
Sub Total (A)	11	73,79,485	36,27,423	63.74
B. Public Shareholding				
1. Institutional				
Mutual Funds/ UTI	03	7,100	-	0.06
Financial Institutions/Banks	05	475	100	0.00
Insurance Companies	02	1,53,302	1,53,252	1.32
Foreign Institutional investors	02	11,15,304	11,15,304	9.63
Sub Total (B)(1)	12	12,76,181	12,68,656	11.02
2. Central/State Government	01	13,01,974	13,01,974	11.25
Sub Total (B)(2)	01	13,01,974	13,01,974	11.25
3. Non Institutional				
Bodies Corporate	85	6,43,159	6,188,88	5.56
Individuals holding nominal share Capital upto Rs. Two lakhs	7,130	7,43,763	3,71,554	6.42
Individuals holding nominal shares capital in excess of Rs. Two lakhs	05	1,88,067	1,65,126	1.62
NRIs/OCB	20	41,084	41,084	0.36
Clearing Members	14	2976	2426	0.03
Sub Total (B)(3)	7,254	16,19,049	11,99,078	13.99
Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)	7,267	41,97,204	37,69,708	36.26
Total A + B	7,278	1,15,76,689	73,97,131	100.00

9. Dematerialisation of Shares

There were 2947 Shareholders holding 73,97,131 shares in dematerialized form, which constitutes 63.89% of the Paid up Equity Share Capital of the Company as on 31st March, 2018. 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 (Prohibition of Insider Trading) Regulations, 2015. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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, 2018 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 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 18th July, 2018.

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. 01232-243471 011-46082222

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 Company's Code of Conduct for the year ended 31st March, 2018.

For and on
behalf of the Board,

Place : New Delhi
Dated : 18th July, 2018

(Manish K. Modi)
Managing Director
(00030036)

(M. K. Modi)
Chairman
(00014594)

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, 2018, 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, 2018 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 Secretary,

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

PLACE : New Delhi
DATED : 18th July, 2018

Independent Auditor's Report

To
The Members of
Modipon Limited
Report on the Financial Statements

We have audited the accompanying standalone Ind AS financial statements of MODIPON LIMITED ('the Company'), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash flows and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

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 the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

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. 36]

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, 2018 has not been ascertained. [Refer Note No. 35(c)]
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, 2018 to Small and Micro Enterprise has not been ascertained. [Refer Note No. 40]
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. 42(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 notes to Note No. 45]
6. (a) The Punjab National Bank (PNB) had approved one time settlement of its outstanding dues of Rs. 1900 lacs 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 ₹ 1205 lakhs upto March 31, 2018 and balance 65 lakhs along with outstanding interest remain to be paid. [Refer notes to Note No. 43(b)]
(b) The company has again requested vide letter dated 9th June 2017 to discharge its residual OTS liability of Rs. 65 lakhs and also requested for waiver of interest component on OTS settlements.
(c) The Company has also requested for assignment of the debt in favour of one of the NBFC company at the time of full and final settlement of outstanding residual amount and overdue interest (OTS of Rs 100 lakhs and interest of Rs 255 lakhs up to 31st May 2017) and Lender Punjab National Bank has requested to the company to convey the details of the NBFC company for assignment of debts so as to enable the bank to inform the same to its competent authority for the approval. Further, several letters regarding the approval of NBFC have been sent by the Company. PNB Bank vide its letter dated 01.02.2018 informed the company, that the request for revival of OTS was unacceptable and further asked to repay the bank dues.
(d) The outstanding liability in the books of the company is higher than the OTS amount by Rs. 183.90 lakhs. However, interest on OTS amount has been provided @ 10.25% p.a. amounting to ₹ 7.35 lakhs for the year ended on March 31st 2018.
(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 ₹ 183.90lacs; the amount of ₹ 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). The amounts paid by the 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. [Refer notes to Note No. 43(d)]
(b) 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. [Refer notes to Note No. 43(c) (i)]
(c) 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. [Refer notes to Note No. 43(c) (ii)]
The effect if any, on the income/expenditure of the company on final OTS with PNB cannot be ascertained.
8. The company has 15% redeemable cumulative preference shares of Rs 100 each. Preference share due for redemption since 31st March 1996."

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 standalone Ind AS 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 including the Ind AS.

Emphasis of Matter

The above financial results of the Company for the year ended March 31, 2018 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. 37]

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 standalone Ind AS 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 including the Ind AS,

- a) In the case of the Balance Sheet ,of the state of affairs of the Company as at 31 March 2018;
- b) In the case of the Statement of Profit & Loss including other comprehensive income, of the loss for the year ended on that date;
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date; and
- d) In the case of the Statement of Changes in Equity, of the change in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rules issued thereunder;
 - (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) 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"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. On the basis of written representations received from the management of the Company, the Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No.35 to the financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

For B. M. Chatrath & Co. LLP
 Chartered Accountants,
 FRN: E300025

Sd/-
 CA. Sunil Kumar Jha
 Partner
 Membership No.543805

Place : New Delhi
 Date : 28th May 2018

Annexure 'A' To the Independent Auditors' Report

The Annexure referred to in independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2018; we report that:

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

(Amount in ₹ Lakhs)

Net book value of immovable property as on March 31, 2018 (A)	Title deeds available (B)	Title deed not available (A-B)
17.44	14.78	2.66

- ii) On the basis of information and explanation provided by the management, the Company does not hold any inventory therefore the provisions of paragraph 3 (ii) (a) to (b) are not applicable to the Company.
- iii) 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) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- 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, 2018 for a period of more than six months from the date they became payable:

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

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

The Following are the particulars of above Dues on account of Sales Tax, duty of Excise, duty of Customs, Water Tax and Income Tax etc. as at March 31, 2018 that have been disputed by the Company in Appeals pending before the Appellate Authorities

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

- 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) The Punjab National Bank (PNB) had approved one time settlement of its outstanding dues of ₹ 1900 lacs vide its approval letters dated April 02, 2014 and April 12, 2014 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 ₹ 1205 lakhs upto March 31, 2018 and balance ₹ 65 lakhs along with outstanding interest remain to be paid.

- (b). The company has again requested vide letter dated 9th June 2017 to discharge its residual OTS liability of ₹ 65 lakhs and also requested for waiver of interest component on OTS settlements.

- (c) The Company has also requested for assignment of the debt in favour of one of the NBFC company at the time of full and final settlement of outstanding residual amount and overdue interest (OTS of ₹ 100 lakhs and interest of ₹ 255 lakhs up to 31st May 2017) and Lender Punjab National Bank has requested to the company to convey the details of the NBFC company for assignment of debts so as to enable the bank to inform the same to its competent authority for the approval. Further, several letters regarding the approval of NBFC have been sent by the Company. PNB Bank vide its letter dated 01.02.2018 informed the company, that the request for revival of OTS was unacceptable and further asked to repay the bank dues.

- (d) The outstanding liability in the books of the company is higher than the OTS amount by ₹ 183.90 lakhs. However, interest on OTS amount has been provided @ 10.25% p.a. amounting to ₹ 7.35 lakhs for the year ended on March 31st 2018.

- (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 ₹ 183.90 lacs ; the amount of ₹ 183.90 lacs 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,
FRN: E300025

Sd/-

CA. Sunil Kumar Jha

Partner

Place : New Delhi
Date : 28th May 2018

Membership No.543805

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, 2018 in conjunction with our audit of the standalone Ind AS 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2018.

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,
FRN: E300025

Sd/-
CA. Sunil Kumar Jha
Partner
Membership No.543805

Place : New Delhi
Date : 28th May 2018

BALANCE SHEET

As on 31st March, 2018

(₹ in Lakhs)				
Particulars	Note	IND AS As at 31.03.2018	IND AS As at 31.03.2017	IND AS As at 31.03.2016
ASSETS				
(1) Non - current assets				
(a) Property, plant and equipment	4	7.23	8.49	9.76
(b) Other intangible assets	4	0.44	-	-
(c) Capital work - in - progress	4	1.73	-	-
(d) Investment Property		-	-	-
(c) Financial assets				
(i) Investments	5	0.44	0.44	0.44
(ii) Trade receivables		-	-	-
(ii) Loans	6	83.12	100.55	99.95
(v) Others		-	-	-
(d) Deferred tax assets (net)		-	-	-
(g) Other non - current assets	7	77.79	77.79	76.79
		170.74	187.26	186.93
(2) Current assets				
(a) Inventories		-	-	-
(b) Financial assets				
(i) Trade receivables		-	-	-
(ii) Cash and cash equivalents	8	10.84	0.47	2.23
(iii) Bank Balances	9	4.64	4.64	4.64
(iv) Loans		-	-	-
(v) Others	10	355.64	268.74	239.54
(c) Current tax assets (net)	11	0.23	0.12	-
(d) Other current assets	12	84.79	84.66	84.59
		456.14	358.64	331.00
Total Assets		626.88	545.90	517.93
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	13 & 3(A)	1,157.67	1,157.67	783.81
(b) Other equity	3 (B)	-9,391.41	-8,932.36	-8,715.04
		-8,233.74	-7,774.69	-7,931.23
LIABILITIES				
(1) Non - current liabilities				
(a) Financial liabilities				
(i) Borrowings	14	727.79	730.38	731.49
(ii) Trade payables	-	-	-	-
(iii) Other financial liabilities	15	1,845.07	1,845.07	1,845.07
(b) Provisions	16	10.61	10.61	9.44
(c) Other non-current liabilities	17	227.11	227.11	224.94
		2,810.59	2,813.18	2,810.94
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	2,818.16	2,172.14	2,378.34
(ii) Trade payables	19	2,448.53	2,450.39	2,456.91
(iii) Other financial liabilities	20	207.04	319.95	230.09
(b) Other current liabilities	21	497.43	495.03	504.03
(c) Provisions	22	78.87	69.89	68.85
		6,050.03	5,507.41	5,638.22
Total Equity & Liabilities		626.88	545.90	517.93
Summary of Significant Accounting Policies	2			

STATEMENT OF PROFIT & LOSS

For the Year ended 31st March, 2018

(₹ in Lakhs)			
Particulars	Note	For the year ended 31.03.2018	For the year ended 31.03.2017
I Revenue from operations		-	-
II Other income	23	21.42	1.79
III Total income (I + II)		21.42	1.79
IV Expenses:			
Employee benefits expenses	24	100.03	104.62
Finance costs	25	192.87	145.61
Depreciation and amortization expenses	26	1.36	1.27
Other expenses	27	247.40	239.48
Total expenses (IV)		541.66	490.98
V Profit / (loss) before exceptional items and tax (III - IV)		(520.23)	(489.19)
VI Exceptional items	28	61.17	271.87
VII Profit / (loss) before tax (V - VI)		(459.06)	(217.32)
VIII Tax expense	29	-	-
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Income tax pertaining to earlier years		-	-
(4) Mat Credit		-	-
		-	-
IX Profit / (loss) from continuing operations (VII - VIII)		(459.06)	(217.32)
X Profit / (loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit / (loss) from discontinued operations (after tax) (X - XI)		(459.06)	(217.32)
XIII Profit / (loss) for the period (IX + XII)		(459.06)	(217.32)
XIV Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss	30	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	3 (A) & 3 (B)	-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		-	-
XV Total comprehensive income for the period (XIII + XIV)		(459.06)	(217.32)
XVI Earnings per equity share (for continuing operations)			
(1) Basic	31	(3.97)	(2.32)
(2) Diluted	31	(3.97)	(2.32)
XVIII Earnings per equity share (for discontinued & continuing operations)			
(1) Basic	31	(3.97)	(2.32)
(2) Diluted	31	(3.97)	(2.32)

The accompanying notes are an integral part of the Financial Statements

For B. M. Chatrath & Co. LLP
Chartered Accountants
FRN: E300025

CA Sunil Kumar Jha
Partner
Membership No. : 543805

Place : New Delhi
Dated : 28th May, 2018

For & on behalf of Board of Directors of Modipon Ltd.

(Mahendra Kumar Modi)
Chairman
DIN 000013594

(Vineet Kumar Thareja)
Company Secretary

(Manish K. Modi)
Managing Director
DIN 00030036

(Vikas Bhatia)
Chief Financial Officer

CASH FLOW STATEMENT

for the year ended 31st March, 2018

Particulars	(₹ in Lakhs)	
	For the year ended on March 31, 2018	For the year ended on March 31, 2017
A. Cash Flow from operating activities		
Net Profit before tax	(459.06)	(217.32)
Adjustments for :		
Depreciation (Net)	1.36	1.27
Provision written back	(19.22)	-
Profit on sale of Fixed Assets	-	(271.87)
Compensation Received	(61.17)	-
Interest Received	(2.02)	(1.23)
Interest Expenses	178.04	46.14
Miscellaneous Income	(0.19)	(0.56)
Operation profit before working capital changes	(362.25)	(443.57)
Working Capital Adjustment:		
Increase/(Decrease) in Financial Assets (others)	(86.90)	(35.89)
Increase/(Decrease) in Current Tax Asset	(0.11)	(0.12)
Increase/(Decrease) in Other current assets	(0.12)	(0.07)
Increase/(Decrease) in Borrowings	646.02	(206.20)
Increase/(Decrease) in Trade payables	(1.87)	(6.52)
Increase/(Decrease) in Other financial liabilities	(112.91)	89.86
Increase/(Decrease) in Other current liabilities	2.40	(9.00)
Increase/ (Decrease) in Provisions	8.98	2.22
Net Cash generated from operations	93.24	(609.29)
Direct taxes paid	-	-
Net cash from operating activities	(A) 93.24	(609.29)
B. Cash flow from investing activities		
Purchase of Intangible Asset	(0.53)	-
Capital WIP	(1.73)	-

Particulars	(₹ in Lakhs)	
	For the year ended on March 31, 2018	For the year ended on March 31, 2017
Other non - current assets	-	
Interest Income	2.02	1.23
Compensation Received	80.39	-
Sale of Fixed Assets	-	278.55
	0.19	0.56
Net cash used in investing activities	(B) 80.33	279.34
C. Cash flow from financing activities		
Repayment from long-term borrowings	(2.60)	(1.11)
Loans and Advances	17.43	(0.60)
Other non-current liabilities	0.00	2.17
Proceeds from Issue of Equity Shares	-	373.86
Interest paid	(178.04)	(46.14)
Net cash used in financing activities	(C) (163.20)	328.18
Net increase in cash & cash equivalent (A + B + C)	10.37	(1.77)
Cash and Cash equivalents as at 01.04.2017 (Opening Balance)	5.11	6.88
Cash and Cash equivalents as at 31.03.2018 (Closing balance)	15.48	5.11

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.

For B.M. Chatrath & Co. LLP
Chartered Accountants
FRN: E300025

For & on behalf of Board of Directors of Modipon Ltd.

CA Sunil Kumar Jha
Partner
Membership No. : 543805

(Mahendra Kumar Modi)
Chairman
DIN 000013594

(Manish K. Modi)
Managing Director
DIN 00030036

Place : New Delhi
Dated : 28th May, 2018

(Vineet Kumar Thareja)
Company Secretary

(Vikas Bhatia)
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Significant Accounting Policies Forming Part of the Financial Statements for the year ended March 31, 2018.

NOTE 1 : CORPORATE INFORMATION

Modipon Limited ("the Company"), was incorporated in the year 1965 under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange. 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.

The registered office of Modipon Limited is situated at Hapur Road, Modinagar-201204. District: Ghaziabad(U.P.), India.

These financial statements were approved and adopted by board of directors of the Company in their meeting dated 28th May, 2018.

Registration details:-

Registration No. CIN No.:L65993UP1965PLC003082

State code : UP

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies(Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) (Amendments) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS starting from the financial year beginning on or after 1st April, 2015. Accordingly, the financial statements of the Company have been prepared in accordance with Ind AS.

For all the periods up to and including the year ended 31st March, 2016, the Company has prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the first the company has prepared in accordance with Ind AS.

The financial statements have been prepared on historical cost basis, except as stated otherwise.

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.

The financial statements are presented in INR and all values are rounded to the nearest lacs (INR), except when otherwise stated.

B. Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

C. Property, plant and equipment

Property, plant and equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses. Likewise when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognised in the statement of the profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work in progress including Property plant & equipment under installation/under development as at the balance sheet date

Capital expenditure on tangible assets for research and development is classified under property and equipment and

is depreciated on the same basis as other property, plant and equipment.

Property, plant and equipment eliminated from the financial statement, either on disposal or when retired from the active use. Losses arising in the case of retirement of property, plant and equipment and gain or losses arising from disposal of property, plant and equipment are a recognised in the statement of the profit and loss in the year of occurrence.

D. Depreciation and amortization

The assets' residual values, useful lives and methods of depreciation are reviewed each financial year end and adjusted prospectively, if applicable.

Depreciation on Property, plant and equipment is provided over the useful life of assets as specified in schedule II to the Companies Act, 2013. Depreciation on Property, plant and equipment which are added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / deletion.

Depreciation on Property, plant and equipment is calculated on a straight line basis.

E. Intangible Assets

Capital expenditure on purchase and development of identifiable assets without physical substance is recognized as intangible assets in accordance with principles given under indas-38 – intangible assets.

Intangible assets are amortised on written down value method over useful life not exceeding four years.

F. Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

G. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential dilutive equity shares.

H. Provisions, Contingent liabilities, Contingent assets and Commitments:

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to provision presented in the statement of profit & loss net of any reimbursement.

If the effect of the time value of money is material, Provisions are disclosed using a current pre-tax rate that reflects when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Contingent liability is disclosed in the case of:

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation

- A present obligation arises from the past event, when no reliable estimate is possible
- A present obligation arises from the past event, unless the probability of outflow is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent assets

Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

I. Taxes

Tax expense comprises of 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and current tax liabilities are off set, and presented as net.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

J. Non-current assets held for sale

Non current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the

sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

K. Revenue Recognition

- Revenue in respect of sale of scrap is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.
- Indirect costs are treated as "period costs" and are charged to the Statement of profit & loss in the year in which they are incurred.
- Interest income on fixed deposit with banks is recognized on time proportion basis taking into account the amount outstanding and the rates applicable.
- Dividend income is recognized when right to receive the payment is established.

L. Borrowings

Borrowings are initially recognized at cost.

M. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

N. Employee Benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

O. Financial Instruments

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

i. Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

ii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iii. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

P. Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

a. Property, plant and equipment

On transition to IND AS, the Company has adopted optional exemption under IND AS 101 for considering carrying cost as deemed cost on the date of transition for property, plant and equipment

b. Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

c. Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of Contingencies / claim/ litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

NOTE 3 : (A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	
As at 01.04.2016	783.81
Changes in equity share capital	373.86
As at 01.04.2017	1,157.67
Changes in equity share capital	-
As at 31.03.2018	1,157.67

(B) OTHER EQUITY

(₹ in Lakhs)

Particulars	Equity component of compound financial instruments	Reserves and Surplus				Items of other comprehensive income					Total
		Capital reserve	Securities premium account	General Reserve	Retained earnings	Debt instruments through other comprehensive income	Revaluation Surplus	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Other items of other comprehensive income (specify nature)	
As at 01.4.2016	-	21.80	-	158.84	-8,895.68	-	-	-	-	-	-8,715.04
Opening Ind as Adjustment	-	-	-	-	-	-	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 01.04.2016	-	21.80	-	158.84	-8,895.68	-	-	-	-	-	-8,715.04
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Profit of the year	-	-	-	-	-217.32	-	-	-	-	-	-217.32
Additions during the period	-	-	-	-	-	-	-	-	-	-	-
Transfer to revaluation reserve	-	-	-	-	-	-	-	-	-	-	-
Adjusted against depreciation	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Deletion during the period	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2017	-	21.80	-	158.84	-9,113.00	-	-	-	-	-	-8,932.35
As at 01.4.2017	-	21.80	-	158.84	-9,113.00	-	-	-	-	-	-8,932.35
Opening Ind as Adjustment	-	-	-	-	-	-	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 01.04.2017	-	21.80	-	158.84	-9,113.00	-	-	-	-	-	-8,932.35
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Profit of the year	-	-	-	-	-459.06	-	-	-	-	-	-459.06
Additions during the period	-	-	-	-	-	-	-	-	-	-	-
Transfer to revaluation reserve	-	-	-	-	-	-	-	-	-	-	-
Adjusted against depreciation	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Deletion during the period	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2018	-	21.80	-	158.84	-9,572.05	-	-	-	-	-	-9,391.41

NOTE 4 : PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Particulars	Tangible Assets			Intangible assets (B)		Capital Work in Progress
	Office Equipment	Vehicle	Total (A)	Softwares -brought out	Total intangible assets (B)	
Gross Block						
As at 01.04.2016	2.07	8.74	10.81	-	-	-
Addition	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 31.03.17	2.07	8.74	10.81	-	-	-
Acquired during the year	-	-	-	0.53	0.53	1.73
Charge for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 31.03.18	2.07	8.74	10.81	0.53	0.53	1.73
Depreciation						
As at 01.04.2016	0.70	0.35	1.05	-	-	-
Acquired through business combinations	-	-	-	-	-	-
Charge for the year	0.23	1.04	1.27	-	-	-
Disposals	-	-	-	-	-	-
As at 31.03.2017	0.93	1.39	2.32	-	-	-
Acquired through business combinations	-	-	-	-	-	-
Charge for the year	0.23	1.03	1.26	0.10	0.10	-
Disposals	-	-	-	-	-	-
As at 31.03.2018	1.16	2.42	3.58	0.10	0.10	-
Net Block						
As at 01.04.2016	1.37	8.39	9.76	-	-	-
As at 31.03.2017	1.14	7.35	8.49	-	-	-
As at 31.03.2018	0.91	6.31	7.23	0.44	0.44	1.73

NOTE 5 : NON- CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Investments in Equity Instruments			
(i) Quoted : (At cost less provision for diminution in value)			
Equity Shares Fully Paid up of ₹10 each			
Nil (March 31,2017 : 3,91,598) Lords Chloro Alkali Limited			
Less : Provision for Diminution in Value	-	-	-
2,000,000 (March 31,2017 : 2,000,000) Spark Plugs Company (India) Limited	150.00	150.00	150.00
Less : Provision for Diminution in Value	150.00	150.00	150.00
75,632 (March 31,2017 : 75,632) Modi Spinning & Weaving Mills Co. Limited (Refer Note 3 below)	0.00	0.00	0.00
5,580 (March 31,2017 : 5,580) Modi Industries Limited (Refer Note 3 below)	-	-	-
1,000 (March 31,2017 : 1,000) J. K. Synthetics Limited	0.02	0.02	0.02
640 (March 31,2017 : 640) Century Enka Limited	0.04	0.04	0.04
225 (March 31,2017 : 225) Garware Nylons Limited	0.02	0.02	0.02
100 (March 31,2017 : 100) J.K.Cement Limited	-	-	-
28 (March 31,2017 : 28) Shree Synthetics Limited	0.01	0.01	0.01
(ii) Unquoted : At Cost			
(a) Investment in Equity Shares			
3,460 (March 31,2017 : 3,460) Modi Intercontinental Pvt Ltd	0.35	0.35	0.35
15,126 (March 31,2017 : 15,126) Haryana distliery limited (Refer Note 2 and 3 below)	0.00	0.00	0.00
15,126 (March 31,2017 : 15,126) Rajputana Fertilizer limited (Refer Note 2 and 3 below)	0.00	0.00	0.00
(b) Investment in preference shares			
165 (March 31,2017 : 165) shares of ₹100 each fully paid up in Modi Spinning & Weaving Mills Co. Ltd.	0.00	0.00	0.00
(c) Investment in debentures or bonds :			
Non-Convertible Debentures of ₹200 each (12.5% Redeemable Non-Convertible)			
328 (March 31,2017 : 328) Modi Industries Limited	0.00	0.00	0.00
	0.44	0.44	0.44
Carrying amount of quoted investments	0.09	0.09	0.09
Carrying amount of unquoted investments	0.35	0.35	0.35
Aggregate provision for dimunition in value of investments	150.00	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 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 6 : NON CURRENT LOANS

(₹ in Lakhs)

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
Security Deposits			
- Secured, considered good	-	-	-
- Unsecured, considered good	72.39	89.82	89.22
- Doubtful	-	-	-
Loans to related parties			
- Secured, considered good	-	-	-
- Unsecured, considered good	-	-	-
- Doubtful	-	-	-
Other			
- Unsecured, considered good	10.73	10.73	10.73
- Doubtful	61.40	80.62	80.62
- Provision for Doubtful Loans	-61.40	-80.62	-80.62
Total	83.12	100.55	99.95

NOTE 7 : OTHER NON CURRENT ASSETS

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
Advances for Land -			
- Land holding companies (Related Parties):			
-- Considered good	19.39	19.39	18.39
-- Doubtful	110.88	110.88	110.88
-- Provision for doubtful advances	-110.88	-110.88	-110.88
Others: Balance with Bank held as margin money against guarantees	58.40	58.40	58.40
Total other assets	77.79	77.79	76.79

NOTE 8 : CASH & CASH EQUIVALENTS

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
Balances with banks			
- in Current Accounts	10.42	0.03	2.12
Cash on hand	0.41	0.42	0.10
Others: Silver Coin	0.01	0.01	0.01
Total	10.84	0.47	2.23

NOTE 9 : BANK BALANCES

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
Other Bank Balances	4.64	4.64	4.64
Total	4.64	4.64	4.64

NOTE 10 : OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
Considered good:			
- Fixed Assets Held for Disposal	230.88	230.88	237.57
- Advances Recoverable in cash or kind (Related Party)	85.91	-	-
- Other Advances	34.78	34.78	-
- Interest accrued on fixed deposits	4.06	3.07	1.97
- Income Accrued on Commission / Brokerage	0.004	0.004	-
Doubtful:			
- Advance against Share Purchase	9.33	9.33	9.33
- Provision for Doubtful Advances	-9.33	-9.33	-9.33
Total	355.64	268.74	239.54

NOTE 11 : CURRENT TAX ASSETS (NET)

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
TDS	0.23	0.12	-
Total	0.23	0.12	-

NOTE 12 : OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
Prepaid Expenses	0.15	-	-
Advances to Suppliers/Contractors	0.04	0.04	-
Balance with Statutory Authorities	447.63	447.66	447.63
Provision for Doubtful Loans and Advances	-363.04	-363.04	-363.04
Total other current assets	84.79	84.66	84.59

NOTE 13 : SHARE CAPITAL

	As At March 31, 2018	As At March 31, 2017
Authorised Share Capital		
2,00,00,000 (March 31, 2017 : 2,00,00,000) Equity shares of ₹ 10/- each)	2,000.00	2,000.00
5,00,000 (March 31, 2017 : 5,00,000) Preference shares of ₹ 100/-each)	500.00	500.00
	2,500.00	2,500.00

Issued, Subscribed & Paid-up Shares

Equity Share Capital		
11576689 (March 31, 2017 : 78,38,057) Equity Shares of ₹10/-each fully paid-up	1,157.67	1,157.67
Preference share capital		
71,792 (March 31, 2017 : 71,792) 15% Redeemable Cumulative		
Preference shares of ₹100/- each fully paid up	71.79	71.79
Total Issued, Subscribed & Paid-up Capital	1,229.46	1,229.46

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

	(Amount ₹ in Lakhs)			
	March 31, 2018		March 31, 2017	
Equity Shares	No. of shares	Amount	No. of shares	Amount
Balances of Shares at the beginning of year	11,576,689	1,157.67	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	1,157.67	11,576,689	1,157.67

- 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 shareholder.

- 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

	March 31, 2018		March 31, 2017	
	No. of shares	% holding	No. of shares	% holding
Status Mark Finvest Limited	-	0.00%	966,673	8.35%
Daisy Investment Pvt. Ltd.	730,939	6.31%	730,939	6.31%
Modi Industries Limited	700,000	6.05%	700,000	6.05%
Ashoka Mercantile Limited	1,822,162	15.74%	855,489	7.39%
U.P. State Indl. Dev. Corp. Ltd.	1,301,974	11.25%	1,301,974	11.25%
AMPS Investment Pvt. Ltd. (see note below)	776,009	6.70%	776,009	6.70%
Modi Intercontinental Pvt. Ltd.	3,738,632	32.29%	3,738,632	32.29%

- e. Details of Preference Shares held by each shareholder holding more than 5 percent shares in the company (₹ in Lakhs)

	March 31, 2018		March 31, 2017	
	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, 2018 amounts to ₹ 251.50 lakhs, excluding Tax on Distributed Profits, if any.

NOTE 14 : NON CURRENT BORROWINGS (₹ in Lakhs)

Particulars	As at 31/ Mar/18	As at 31/ Mar/17	As at 1/ Apr/16
A. Secured			
a. Term Loan From			
i. Banks	-	-	-
ii. Banks - Vehicle Loan	2.63	5.23	6.34
iii. Corporate Bodies- Equipment Loans	-	-	-
iv. Corporate Bodies/Financial Institutions	-	-	-
	2.63	5.23	6.34
B. Unsecured			
Loans from related parties*	725.15	725.15	725.15
Liability component of compound financial instruments	-	-	-
Other loans (specify nature);	-	-	-
Vehicle Loan	-	-	-
Total	725.15	725.15	725.15
b. Loan From Corporate Bodies	-	-	-
Total	727.79	730.38	731.49

* Refer Note 43 (c) (i), (ii), (iii) and 43 (d) (i) (ii)

- (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 .

Maturity profile of Secured Term Loans as set out below :	2018-19	2019-20	Beyond 2020
HDFC Bank Loan No. 35450776	1.37	1.52	1.11

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

NOTE 15 : OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	As at 31/ Mar/18	As at 31/ Mar/17	As at 1/ Apr/16
Security Deposits Received against Houses	1,781.59	1,781.59	1,781.59
Security Deposit received from Others	63.48	63.48	63.48
Total	1,845.07	1,845.07	1,845.07

NOTE 16 : NON CURRENT PROVISIONS

Particulars	As at 31/ Mar/18	As at 31/ Mar/17	As at 1/ Apr/16
Provision for employee benefits			
- Gratuity	6.44	6.44	5.26
- Leave Encashment	4.17	4.17	4.17
Total	10.61	10.61	9.44

NOTE 17 : OTHER NON CURRENT LIABILITIES

Particulars	As at 31/ Mar/18	As at 31/ Mar/17	As at 1/ Apr/16
Security Deposits			
Security Deposits Received against Property	211.96	211.96	211.96
Security Deposits Received against Sale of Plot	2.17	2.17	-
Advance Rent	12.98	12.98	12.98
Total	227.11	227.11	224.94

NOTE 18 : CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31/ Mar/18	As at 31/ Mar/17	As at 1/ Apr/16
Secured			
Loans repayable on demand-from PNB	248.90	283.90	183.90
From Bank Term loans-Vehicle Loan	1.37	-	-
From Related Party	157.13	157.13	-
Bank Overdraft	-	0.79	240.44
Unsecured-			
Related Party	2,338.97	1,658.53	1,882.20
Others: Liability on account of Preference shares	71.79	71.79	71.79
	2,818.16	2,172.14	2,378.34

- 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.
- 2(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 calender year 2007. Also company has defaulted into the loan repayment amount of ₹ 65 Lakhs excluding interest. (Refer note 43 (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.
- (c) Borrowings from related parties includes loan from Ashoka Merchantile Limited, Status Mark Finvest Ltd and Modi Intercontinental Private Limited.
- During the year Company has provided interest @ 10.25 % p.a. on the loan amount from Ashoka Merchantile Limited and @ 9.50% on the loan amount from Status Mark Finvest Ltd. However, the terms of repayment are yet to be entered into with the said parties.

NOTE 19 : TRADE PAYABLES

Particulars	As at 31/ Mar/18	As at 31/ Mar/17	As at 1/ Apr/16
Sundry Creditors	2.34	4.20	10.72
Amount due to others	2,446.19	2,446.19	2,446.19
Total	2,448.53	2,450.39	2,456.91

NOTE 20 : OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31/ Mar/18	As at 31/ Mar/17	As at 1/ Apr/16
Interest Accrued and due on Borrowings	343.04	438.55	352.54
Expense	10.38	8.38	8.58
Employees' dues	30.84	49.00	47.18
Dues to related parties	8.34	9.40	9.80
Other Payables	-185.56	-185.39	-188.00
Total	207.04	319.95	230.09

NOTE 21 : OTHER CURRENT LIABILITIES

Particulars	As at 31/ Mar/18	As at 31/ Mar/17	As at 1/ Apr/16
Sundry creditors - tax authorities	144.21	141.81	150.81
Other	353.22	353.22	353.22
Total	497.43	495.03	504.03

NOTE 22 : CURRENT PROVISIONS

Particulars	As at 31/ Mar/18	As at 31/ Mar/17	As at 1/ Apr/16
Provision for employee benefits			
- Gratuity	-	-	-
- Leave Encashment	-	-	-
Others			
Provision for Tax (Net of Advance Tax)	76.32	69.89	68.85
Others	2.56	-	-
Total	78.87	69.89	68.85

NOTE 23 : OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year ended	
	31/Mar/18	31/Mar/17
Interest Received		
a. Loans	-	-
b. On Debentures	-	-
c. On Income Tax Refund	-	-
d. Others	2.02	1.23
Miscellaneous income	0.19	0.56
Provision written back	19.22	-
Total	21.42	1.79

NOTE 24 : EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year ended	
	31/Mar/18	31/Mar/17
Salaries, wages, Allowances & Commission	67.17	61.51
Contribution to Gratuity, Provident & Other funds	-	1.18
Staff welfare expenses	32.86	41.93
Total	100.03	104.62

NOTE 25 : FINANCE COSTS

Particulars	For the Year ended	
	31/Mar/18	31/Mar/17
Interest on		
a. Public Deposit	-	-
a. Term Loans	-	-
c. Cash Credit	-	-
d. Others	192.87	145.61
Total	192.87	145.61

NOTE 26 : DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the Year ended	
	31/Mar/18	31/Mar/17
Depreciation of tangible assets	1.26	1.27
Amortization of intangible assets	0.10	-
Charged to Statement of Profit & Loss	1.36	1.27

NOTE 27 : OTHER EXPENSE

Particulars	For the Year ended	
	31/Mar/18	31/Mar/17
Repair and maintenance- Others	2.67	0.38
Fees, Rates and taxes	22.22	9.04
Insurance	0.06	-
Legal and professional	61.15	50.14
Travelling and conveyance	20.51	6.42
Printing and stationery	1.48	-
Postage, telegram and telephones	3.01	1.43
Software Expenses	0.08	-
Security expenses	4.64	8.67
Miscellaneous expenses	0.10	5.13
Advisement & publicity	0.46	1.31
Audit & Consultancy charges	3.63	4.60
Business Promotion	100.85	136.28
Brokerage & commission	10.00	-
Bank Charges	0.01	-
Power & Electricity Exp	0.12	-
Membership & Subscription Fees	3.32	-
General Charges	0.10	7.45
Director's Sitting Fee	1.85	-
Vehicle Running and maintenance expenses	4.21	-
Retainership Charges	3.88	2.61
AGM Expenses	2.15	4.50
Interest on TDS	0.88	1.52
Total	247.40	239.48

NOTE 28 : EXCEPTIONAL ITEM

(₹ in Lakhs)

Particulars	For the Year ended	
	31/Mar/18	31/Mar/17
Exceptional Item	61.17	271.87
Total	61.17	271.87

NOTE 29 : TAX EXPENSES

Particulars	For the Year ended	
	31/Mar/18	31/Mar/17
Income tax Expenses	-	-
Deferred Tax Expenses	-	-
Taxes of earlier year	-	-
MAT Credit	-	-
Total	-	-

NOTE 30 : OCI- ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS

Particulars	For the Year ended	
	31/Mar/18	31/Mar/17
Actuarial Gain		
Actuarial Gain - Gratuity	-	-
Income tax relating to items that will not be reclassified to profit or loss	-	-
Total	-	-

NOTE 31 : EARNINGS PER SHARE

Particulars	For the Year ended	
	31/Mar/18	31/Mar/17
Net profit/ (loss) as per Statement of Profit & Loss (for calculation of basic EPS)	-459.06	-217.32
Dividend on OCPs/ Redeemable Preference Share	-	-
Net profit used in the calculation of Basic Earning per Share (as above)	-459.06	-217.32
Net profit for calculation of diluted EPS	-459.06	-217.32
Continuing operations		
Net profit for as per Statement of Profit & Loss (calculation of basic EPS)	-459.06	-217.32
Net profit as above	-459.06	-217.32
Net profit for calculation of diluted EPS	-459.06	-217.32
Weighted average number of equity shares in calculating basic EPS	11,576,689	9,364,238
Effect of dilution:		
Weighted average number of equity shares in calculating diluted EPS	11,576,689	9,364,238
Basic earning per share	-3.97	-2.32
Diluted earning per share*	-3.97	-2.32

Note No. 32: 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, 2018.

Note No. 33: Sundry debtors, creditors, loans and advances are subject to confirmation.

Note No. 34: Payment to Auditors

Particular	Current Year	Previous Year
As Auditor		
- Audit Fees	3.78	3.68
- Other Matters	-	0.92
- Reimbursement of expenses	0.14	-

Note No. 35: Contingent Liabilities and Notes (₹ in Lakhs)

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

Particulars	As At 31.03.2018	As At 31.03.2017
(i) Income Tax (Refer note (a) below)	239.11	217.55
(ii) Sales Tax/ Excise/ Customs Duty (Refer note (b) below)	2757.49	2757.49
(iii) Water Tax	7.11	7.11
(iv) Suppliers Interest on outstanding dues to GSFC (Refer note (c) below)	1000.54	1000.54
(v) Singhal Transport Vs. Modipon Limited & Ors. (Execution Petition)* (Refer Note (d) below)	171.00	0.00
(vi) Interest on PNB OTS (Refer Note (e) below)	268.28	0.00
(vii) Trade Payables(Civil Suit: 2009-10)	18.13	18.13
(vii) Others	263.60	263.60

*Following are the particulars of cases under litigation-

- (a) 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.

Nature of the Statute	Nature of the Dues	Period to which the Amount relates	Amount of Disputed Dues
Income tax Act, 1961	Non-Deduction of TDS	2006-07 to 2008-09	107.71
			109.84
	Penalty u/s 271(1)(c)	A.Y. 2004-05	15.34
		Prior Years to A.Y. 2016-17	2.98
		A.Y. 2016-17	0.34
		A.Y. 2017-18	0.43
		A.Y. 2018-19	2.47

- (b) Sales Tax/ Excise/ Customs Duty

Nature of the Statute	Nature of the Dues	Period to which the Amount relates	Amount of Disputed Dues
Sales Tax Laws	Sales Tax	1991-1992	1.41
		2004-05	94.22
		2005-06	1428.88
		2006-07	1010.75
		2007-08	12.43
Customs Law	Customs Duty	1982-83	74.66
		2002-03	19.39
Central Excise Law	Excise Duty	1983-84	115.75

- (c) 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 120 month period ended 31st March, 2018 is not ascertainable.

- (d) Singhal Transport filed a suite for recovery of ₹ 95.08 lacs (comprising of the principal amount of Rs. 70 lacs and interest due till 19.05.2009) along with claim for pendente- lite and future interest and costs against Modipon Limited. The total sum due as on 31st March, 2018 amounts to 171 lacs including interest for which the company has not made any provision.

- (e) 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 had condoned 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 ₹ 1205 lakhs upto March 31, 2018 and balance ₹ 65 lakhs along with outstanding interest remain to be paid. Due to non compliance of revived OTS, the bank has demanded interest @ 10.25% from the inception and hence the interest outstanding is ₹ 285.89 upto 31st march, 2018 out of which provision of only ₹ 17.60 has been made in the books.

- (f) 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. No provision of interest has been made on the sales tax liability of ₹ 183.90lakhs.

Note No. 36: 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 No. 37: 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 No. 38: 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 that the proposed remuneration is within the limit of the Companies Act, 2013.

Note No. 39: 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. The recognition of Deferred Tax Assets (Net) has been postponed on consideration of prudence.

Note No. 40: 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 No. 41: Exceptional Items in Statement of Profit and Loss includes :

During the year Compensation received from Kirloskar Pneumatic Company of ₹ 61.17 Lacs on account of non supply of air compressor equipment within time limit for which the company had filled suit against Kirloskar Pneumatic Company.

Note No. 42: (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 2018 .

(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 No. 43: (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 ₹ 1205 lakhs upto March 31, 2018 and balance ₹ 65 lakhs along with interest 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 (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 ₹ 7.35 lakhs for the year ended March 31, 2018 (Previous year: ₹ 10.25 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 43(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 "Non Current borrowings (Unsecured)".

During the financial year 2017-18, interest of ₹ 42.02 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 "Non current borrowings (Unsecured)".

During the financial year 2017-18, interest of ₹ 20.67 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 18 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 14, to be written back or credited to AML at the time of OTS with PNB as stated in (i) above.

During the financial year 2017-18, interest of ₹ 16.11 lakhs has been provided on loan repaid by Ashoka Mercantile Limited under this OTS deal.

Note No. 44: 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. Mahendra Kumar Modi- Chairman	Key Management Personnel
2. Manish Kumar Modi- Managing Director	
3. Anuj Kumar Tyagi-CEO	
4. Vineet Kumar Thareja- Company Secretary	
5. Narayan Chandra Rout-CFO (Upto 30/06/2017)	
6. Vikas Bhatia-CFO (From 20/07/2017)	
7. Aditee Modi - Director	
8. Hemant Kumar Singh-Independent Director (Upto 28/09/2017)	
9. Vivek Gupta - Independent Director	
10. Ranvir Prasad-Independent Director	
11. Shashi kant ranjan - Independent Director	

(b) Transactions during the year with related party (₹ in Lakhs)

Particulars	Enterprise having significant influence	Key Management Personnel	Total
(i) Remuneration to KMP			
a) Manish K.Modi-MD	-	18.76	18.76
	-	(18.76)	(18.76)
b) Anuj Kumar Tyagi-CEO	-	29.00	29.00
	-	-	-
c) Vikas Bhatia-CFO (From 20/07/2017)	-	21.00	21.00
	-	-	-
d) Narayan Chandra Rout-CFO (Upto 30/06/2017)	-	5.00	5.00
	-	(20.00)	(20.00)
e) Vineet Kumar Thareja Company Secretary	-	8.00	8.00
	-	(1.33)	(1.33)
(ii) Loan Taken	1,080.16	-	1,080.16
	(285.00)	-	(285.00)
(iii) Loan Repaid	377.40	-	377.40
	(373.86)	-	(373.86)
(iv) Interest on Loan Due	185.01	-	185.01
	(134.74)	-	(134.74)
(v) Interest on Loan Paid	269.36	-	269.36
	(45.50)	-	(45.50)
(vi) Equity Share Capital Issued	-	-	-
	(373.86)	-	(373.86)
(vii) Reimbursement Received	116.62	-	117.68
	(30.98)	-	(30.98)
(viii) Reimbursement Paid	140.00	-	138.94
	(9.66)	-	(9.66)
(ix) Advance Given	85.91	-	85.91
	-	-	-

*Figures in brackets represents corresponding amounts of previous years.



(c) Details of transactions with related parties-

Chartered Accountants
Dated : 28

As per our Audit Report of even date attached.
Bhatia & Co. Chartered Accountants

For B.M. Chatrath & Co. LLP
Place : New Delhi

(Mahendra Kumar Modi)
(Vineet Kumar Thareja)

(Mahendra Kumar Modi)
(Vikas Bhatia)

For & on behalf of Board of Directors of Modipon Ltd.
(Vikas Bhatia)

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