



Modipon Limited

Hapur Road, Modinagar, Ghaziabad-201 204, District: Ghaziabad (UP)
Phone: 91-9582388706

September 4, 2023

To
BSE Limited
The Corporate Relations Department,
25th Floor, P.J. Towers, Dalal Street,
Fort, Mumbai – 400001

Ref: INE170C01019

Scrip Code: 503776

Sub: Notice of 56th annual general meeting and submission of Annual Report of Modipon Limited for financial year 2022-23

Dear Sir,

We wish to inform you that the 56th annual general meeting (“**AGM**”) of the Company is scheduled to be held on Wednesday, September 27, 2023 at 4:30 pm IST through video conferencing (“**VC**”) / other audio visual means (“**OAVM**”) in accordance with circulars/ notifications issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India (“**SEBI**”) to transact the business as set forth in the notice dated August 11, 2023 (“**Notice**”).

Pursuant to regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended from time to time, please find enclosed herewith the annual report for the financial year 2022-23 along with the Notice being sent to all the shareholders in electronic mode.

The annual report along with the Notice have been made available on the website of the Company at www.modipon.net.

You are requested to kindly consider the same in your records.

Thanking you

Yours truly,
For MODIPON LIMITED

Manish Modi
(Managing Director)



**modipon
limited**

56TH ANNUAL REPORT 2022-23

BOARD OF DIRECTORS

Mr. Manish Modi	Chairman & Managing Director
Mrs. Aditee Modi	Women Director
Mr. Mayur Maheshwari	Nominee Director
Mr. Shashi Kant Ranjan	Independent Director
Ms. Kavita Rani	Independent Director
Mr. Nitesh Kumar	Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER & CHIEF FINANCIAL OFFICER

Mr. Vineet Kumar Thareja

BANKERS

HDFC Bank

AUDITORS

B. M. Chatrath & CO LLP
Chartered Accountants
D-26, 2nd Floor, Sector -3,
Noida 201 301 (U.P.)
Ph. : 0120-4593360 to 4593366

REGISTERED OFFICE

Hapur Road,
Modinagar - 201 204
District : Ghaziabad (U.P.)
Ph. : +91-9582388706

REGISTRAR AND TRANSFER AGENTS

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

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MODIPON LIMITED

CIN: L65993UP1965PLC003082

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

Email: modipon@modimangal.in

vkthareja@modimangal.in

Website: www.modipon.net

By Order of the Board of Directors
For Modipon Limited

Dated: August 11, 2023

Place: New Delhi

Vineet Kumar Thareja
Company Secretary & Compliance Officer

NOTICE

Notice is hereby given that the 56th Annual General Meeting ("AGM") of Modipon Limited ("the Company") will be held on Wednesday, 27th September, 2023 through video conferencing ("VC") and other Audio-Visual Means ("OAVM") at 4:30 p.m. IST to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended on March 31, 2023, along with the report of board of directors and independent auditors' thereon.

SPECIAL BUSINESS

2. To consider and approve the re-appointment of Mr. Manish Modi (DIN: 00030036) as Chairman & Managing Director of the Company

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

"RESOLVED THAT pursuant to the provisions of section 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with schedule V thereof and the rules made there under, as amended from time to time, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and in accordance with the articles of association of the Company and based on the recommendation of the Nomination & Remuneration Committee and approval of the board of directors of the Company and subject to the completion of the necessary formalities, the approval of the Central Government and such other authorities as may be required, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Manish Modi (DIN: 00030036) as the Chairman & Managing Director of the Company for a period of five (5) years with effect from June 1, 2023 on the terms and conditions as set out in the explanatory statement annexed to the Notice.

RESOLVED FURTHER THAT Mr. Manish Modi shall be entitled to such remuneration as set out in the explanatory statement annexed to the Notice for a period of 3 years from the date of his appointment, which shall be paid even in case of loss or inadequacy of profits in any financial year.

RESOLVED FURTHER THAT the board of directors of the Company (hereinafter referred to as "the Board") (which term shall be deemed to include any committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) be and hereby authorized to alter and vary terms and conditions of the said appointment including remuneration in such manner as may be agreed to between the Board and Mr. Manish Modi subject to same not exceeding the applicable limits as specified in section 197 read with schedule V of the Act or any statutory modification (s) or re-enactment(s) thereto.

RESOLVED FURTHER THAT any of the Board members and Company Secretary be and are hereby severally authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

Notes:

1. The Ministry of Corporate Affairs ("MCA") inter-alia vide its general circular nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by general circular nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as "MCA Circulars") and circular no. SEBI/HO/ CFD/PoD-2/P/CIR/2023/4 dated 05 January 2023 issued by Securities and Exchange Board of India ("SEBI") read together with other circulars issued by SEBI in this regard (collectively to be referred to as "SEBI Circulars") companies are permitted to hold the annual general meeting through video conferencing ("VC") or through other audio-visual means ("OAVM"), without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the 56th Annual General Meeting ("Meeting" or "AGM") of the Company is being held through VC / OAVM on Wednesday, September 27, 2023, at 4:30 p.m. (IST). The proceedings of the AGM deemed to be conducted at the registered office of the Company situated at Hapur Road, Modinagar- 201 204 (U.P.).

The instructions for participation by Members are provided in detail in the Notice.

2. The explanatory statement pursuant to section 102(1) of the Act setting out the material facts relating to the special business to be transacted at this AGM is annexed hereto.
3. The Company has engaged the services of National Securities Depository Limited ("NSDL") as the agency for providing e-voting facility (remote e-voting and voting at AGM) to the members of the Company ("Members") in order to cast their votes electronically in terms of the aforesaid MCA Circulars.
4. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the proxy form, attendance slip and route map of the venue are not annexed to this Notice.
5. Institutional/Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting. Institutional/Corporate Members intending to attend AGM are requested to send a scanned copy in pdf/jpg format of duly certified copy of board resolution/power of attorney with attested specimen signature of duly authorized signatory(ies) authorising its representatives to attend and vote at the AGM pursuant to section 113 of the Act. The said resolution/ authorization shall be sent to the Scrutiniser by email through its registered email address at ranjeet@ranjeetcs.com with a copy marked to evoting@nsdl.co.in, investor@masserv.com and vkthareja@modimangal.in. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-voting" tab in their login.
6. Relevant details pursuant to regulation 36(3) of the Listing Regulations and secretarial standards on general meeting ("SS-2") issued by Institute of Company Secretaries of India, in respect of director seeking re-appointment at this AGM is also annexed with herewith.
7. Participation of Members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.

8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
9. The register of members and share transfer books of the Company will remain closed from Thursday, September 21, 2023 to Wednesday, September 27, 2023 (both days inclusive).

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE AND REGISTRATION OF E-MAIL ID

10. In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email Id is registered with the Company/ depository. Members may also note that the Notice and Annual Report will also be available on the Company's website at www.modipon.net, website of the Stock Exchange, i.e., BSE Limited at www.bseindia.com and on the website of NSDL at www.evoting.nsdl.com. No physical copy of the Notice and the Annual Report has been sent to Members who have not registered their e-mail addresses.
11. Members whose e-mail Id is not registered and who wish to receive the Notice of the AGM, Annual Report and all other communications by the Company, from time to time may get their e-mail Id registered by submitting Form ISR-1 to Registrar & Share Transfer Agent of the Company, MAS Services Limited ("MAS") at investor@masserv.com or to the Company at vkthareja@modimangal.in. However, for the shares held in demat form, Members are requested to write to their respective Depository Participants (DPs).

PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM

12. The Company has engaged the services of NSDL. Members will be able to attend the AGM through VC/OAVM by following the instructions provided in the notes to the Notice of the AGM.
13. Facility to join the Meeting shall be opened thirty (30) minutes before the scheduled time of the commencement of the Meeting and shall be kept open throughout the proceedings of the Meeting.
14. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis.

PROCEDURE FOR SPEAKER REGISTRATION OR TO RAISE QUESTIONS/QUERIES

15. The Members who have any questions on the financial statements or on any agenda item proposed in the Notice of AGM are requested to send their queries in advance, latest by Monday, September 18, 2023 (5:00 p.m. IST) to the Company Secretary & Compliance Officer at vkthareja@modimangal.in with a copy to investor@masserv.com by mentioning their name, DP Id and Client Id/Folio No., e-mail Id, mobile number. Such questions shall be taken up during the meeting or replied by the Company suitably.
16. Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered e-mail address mentioning their name, DP Id and Client Id/Folio No., no. of shares, PAN, mobile number at vkthareja@modimangal.in with a copy to investor@masserv.com on or before Monday, September 18, 2023 (5:00 pm IST). Those Members who have registered themselves as a speaker will only be allowed to express their views, ask questions during the AGM. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.
17. All Members attending the AGM will have the option to post their comments/queries through a dedicated Chat box that will be available on the meeting screen.
18. All the documents referred to in the Notice will also be made available for inspection upon request by the members.

19. Members who are holding shares in physical form are requested to address all correspondence concerning transmissions, sub-division, consolidation of shares or any other share related matters and/or change in address or updation of details thereof with MAS, Company's RTA. Members, whose shareholding is in electronic mode are requested to intimate the change of address, registration of e-mail address and updation of bank account details to their respective DPs.

20. ADDITIONAL INFORMATION:

- i. Pursuant to the provisions of the Companies Act and the relevant rules framed thereunder, the amount of dividend which remains unpaid/unclaimed for a period of 7 years is transferred to the Investor Education & Protection Fund ("IEPF") established by the Central Government.

Accordingly, the Members whose unclaimed dividend/shares have been transferred to IEPF, may claim the same by applying to the IEPF Authority through submission of an online Form IEPF-5 on the website of IEPF Authority www.iepf.gov.in.

- ii. Regulation 40 of Listing Regulations prohibits transfer of shares in physical mode and mandates holding in demat except in case of transmission or transposition. Accordingly, Members are requested to convert the physical holding to demat through their Depository Participant.
- iii. Registration of nomination makes easy for dependents to access your investments and set out the proportion of your benefits to the nominees. Accordingly, shareholders desirous of availing this facility may submit the requisite nomination form.

Registration and/ or updation of bank mandate ensures the receipt of dividend and/or any other consideration timely, faster and easier and more important avoids fraudulent encashment of warrants.

In respect of the matters pertaining to bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrar & Share Transfer Agent, in respect of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company/Registrar & Share Transfer Agent, members are requested to quote their folio numbers or DP Id and Client Id for physical or electronic holdings respectively.

- iv. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN with the Company/RTA.
- v. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:-

21. Pursuant to the provisions of section 108 and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2014, as amended, and regulation 44 of SEBI Listing Regulations read with circular of SEBI on e-Voting Facility provided by listed entities dated 09 December 2020, the Company is providing to its Members, the facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronic means.
22. Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below

("remote e-voting"). Further, the facility for voting through electronic voting system will also be made available at the Meeting and Members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting.

23. Mr. Ranjeet Kumar Verma, Practicing Company Secretary, M/s Ranjeet Verma & Associates (FCS No. 6814, CP No. 7463) has been appointed as the Scrutiniser for conducting the e-voting process including remote e-voting in a fair and transparent manner.
24. The remote e-Voting facility will be available during the following period:

Commencement of remote e-Voting	From 9:00 am (IST) on Sunday, September 24, 2023
End of remote e-Voting	Upto 5:00 pm (IST) on Tuesday, September 26, 2023

- A member can opt for only single mode of voting, i.e., through remote e-Voting or during the Meeting;
- Once the vote on a resolution is casted by a Member, the Member shall not be allowed to change it subsequently or cast the vote again;
- The Members may please note that the remote e-voting shall not be allowed beyond the abovementioned date and time;
- During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, September 20, 2023 may cast their vote by remote e-voting.
- The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) i.e., Wednesday, September 20, 2023;
- A person who is not a Member as on the cut-off date should treat this Notice for information purpose only;
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password;
- In case of any queries, you may refer the Frequently Asked Questions ("FAQs") and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in or contact Mr. Amit Vishal, at the designated e-mail Id evoting@nsdl.co.in who will also address the grievances connected with the voting by electronic means;
- The details of the process and manner for remote e-Voting are explained below:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: ACCESS TO NSDL E-VOTING SYSTEM

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with depositories and depository participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDEAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDEAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasinew/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiestRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., NSDL where the e-Voting is in progress.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022- 23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a personal computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User Id, your password/OTP and a verification code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.

c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
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- Password details for shareholders other than Individual shareholders are given below:
 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

Step 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL ID IS NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL ID FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

1. In case shares are held in physical mode, please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN Card (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by email to investor@masserv.com.
2. In case shares are held in demat mode, please provide DP Id Client Id (16 digit DP Id + Client Id or 16 digit beneficiary Id), name, client master list or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) to investor@masserv.com. If you are an Individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual Shareholders holding securities in demat mode.**
3. Alternatively, Shareholders/Members may send a request to evoting@nsdl.co.in for procuring User Id and Password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 09 December 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and E-mail ID correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR E-VOTING DURING THE AGM

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join Meeting**" menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members registered themselves as speaker will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

E-VOTING RESULT

1. The Scrutinizer will, after conclusion of e-voting at the meeting, scrutinize the votes cast at the meeting and through e-voting and make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting or a person authorized by him in writing who shall countersign the same. The Chairman or any other person authorized by the Chairman, shall declare the results within Forty-Eight (48) hours after the conclusion of the meeting. The said results along with the report of the scrutinizer will also be placed on the website of the Company www.modipon.net the website of NSDL <https://www.evoting.nsdl.com/> and shall also be displayed at the registered office of the Company. The results shall simultaneously be submitted to the Stock Exchange and available at www.bseindia.com. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolution.
2. Subject to receipt of requisite number of votes, the resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting i.e., Wednesday, September 27, 2023.

By Order of the Board of Directors
For Modipon Limited

Dated: August 11, 2023
Place: New Delhi

Vineet Kumar Thareja
Company Secretary & Compliance Officer

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

The members may note that Mr. Manish Modi (DIN: 00030036) was re-appointed as Chairman & Managing Director of the Company for a period of five years from June 1, 2018. The said re-appointment and terms of remuneration was subsequently approved by the Members in the 51st Annual General Meeting of the Company held on August 25, 2018.

The board of directors of the Company on the recommendation of the Nomination & Remuneration Committee of the Company on May 29, 2023 approved the re-appointment of Mr. Manish Modi as the Chairman & Managing Director for another period of 5 years effective from June 1, 2023 and remuneration payable to him, subject to the approval of the Members and of the Central Government. Accordingly, approval of the members is being sought for re-appointment of Mr. Manish Modi as Chairman & Managing Director of the Company.

A brief profile of Mr. Manish Modi along with other details as required under regulation 36 of SEBI Listing Regulations and secretarial standard on general meetings issued by Institute of Company Secretaries of India is enclosed as part of this Notice.

Mr. Manish Modi plays a pivotal role in the Company, being both the visionary and operational leader. He is responsible for setting the Company's strategic direction and make key decisions. He has extensive experience in scale and business transformation, brand building, organization change management, reimagining business processes, strong customer engagement, and building high-performing teams which aligns well with Company's growth ambition.

Brief terms and conditions of appointment of Mr. Manish Modi is provided below:

Mr. Manish Modi, as Chairman & Managing Director of the Company, shall be paid the following remuneration for a period of 3 years with effect from June 01, 2023:

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. 1,00,000. The expenditure incurred by the Company on gas, electricity, water and furnishing etc. shall be on actual basis.
- (ii) **MEDICAL:** Expenses incurred for self and his family members 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 members 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.

The perquisites as payable to Mr. Manish Modi, as Chairman & Managing Director of the Company shall be paid even in case of loss or inadequacy of profits subject to compliance of the applicable provisions of the Act.

The board of directors of the Company may at their discretion revise or restructure the remuneration or revise other terms and conditions, from time to time, in accordance with provisions of the section 197 of the Act read with schedule V thereto.

The Company has received necessary consent and declaration from Mr. Manish Modi that he is not disqualified from being appointed as a director pursuant to any order of SEBI or any other authority.

Mr. Manish Modi also satisfies the conditions for being appointed as the Chairman & Managing Director of the Company, as set out in section 196(3) of the Act and part I of schedule V thereto except clause (e) of part I of schedule V.

The Members may note that during the financial year 2019-20, the residential status of Mr. Manish Modi changed from an Indian Resident to a Non-Resident Indian and accordingly the Company will be making an application to the Central Government for its approval. Therefore, approval of the Members for re-appointment of Mr. Manish Modi as Chairman & Managing Director of the Company shall be subject to the approval of the Central Government.

In terms of section 2(77) of Companies Ac, 2013, read with rule 4 of Companies (Specification of Definition Details) Rules, 2014, Mr. Manish Modi is the spouse of Mrs. Aditee Modi (Director of Modipon Limited). Further, Mr. Manish Modi is not related inter-se with any other member of the board of directors of the Company.

Save and except Mr. Manish Modi and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other directors/ key managerial personnel/ their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 2.

The Board is of the view that the association of Mr. Manish Modi would benefit the Company, given the knowledge, experience and performance of Mr. Manish Modi, and contribution to the Board processes by him. In the opinion of the Board, Mr. Manish Modi fulfils the conditions specified in the Act, the Rules thereunder and the SEBI Listing Regulations for appointment as Chairman & Managing Director of the Company. Mr. Manish Modi holds 39,339 equity shares of the Company having face value of Rs. 10/- each.

The Board recommends resolutions under Item no. 2 for approval of members as an Ordinary Resolution.

Statement of information as per Section II of Part II of Schedule V of the Companies Act, 2013:

GENERAL INFORMATION:

Nature of industry	Real Estate Business
Date or expected date of commencement of commercial production	The manufacturing operations of the Fibre unit of the Company was closed in the year 2007 and thereafter Company is in to the business of real estate & development of its vacant land/adjacent land to factory after taking requisite permissions from the Uttar Pradesh (UP) Government from time to time. The said development was later on stopped by the UP Government vide its order dated 18.01.2019 on which hearing is sub-judice before the Industrial Department, Uttar Pradesh.

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
Financial performance based on given indicators	The Financial performance of the Company for Financial Year ended on March 31, 2023 and March 31, 2022 is as under: All the figures are in "INR Lakhs." except Earnings per share.		
	Particulars	Current year (FY 2022-23)	Previous year (FY 2021-22)
	Profit (Loss) After Tax	(60.91)	66.15
	Net-worth including balance in profit and loss account	(9049.97)	(8989.06)
	Earnings per share – basic (in Rs.)	(0.53)	0.57
	Turnover (Revenue from Operations)	-	-
Foreign investments or collaborations, if any	The Company has not entered into any foreign collaboration and no direct investment has been made in the Company during the previous three financial years. The foreign investors mainly comprised of foreign institutional investors, foreign portfolio investor, FDI and NRI's.		

Information about the Directors:

Background Details	Particulars	Information
	Name	Mr. Manish Modi
	Father's name	Sh. Mahendra Kumar Modi
	Qualification	Bachelor's degree in computer science and MBA from Columbia University
Past Experience	Mr. Manish Modi has founded NetAcross in 1996 in New Delhi with a vision to create an innovative, learning organization and its growth has featured in several international publications including Red Herring, Forbes, Newsweek and Asiaweek. He founded Exevo Inc., USA and Exevo India Limited in the year 2002. Exevo was a new breed of outstanding company and had grown leaps and bounds since it was founded. He was the CEO of Exevo Inc., USA. He is the member of various professional bodies including YPO, IACC, CII etc. and currently an active early-stage investor focusing on rural and Agri tech.	
Past Remuneration	Nil remuneration was paid to Mr Manish Modi during the financial year 2022-23.	
Recognition or awards	Dataquest Magazine (India) named him as one of the years 15 "Magical People" in 1997 and in 1998 he was included amongst Asia's top 50 young IT Entrepreneurs by the Institute for the future.	

Job profile and his suitability	Mr. Manish Modi has been the Managing Director of the Company since last 10 (ten) years. He plays a pivotal role in the Company, being both the visionary and operational leader. He is responsible for setting the Company's strategic direction and make key decisions. He has extensive experience in scale and business transformation, brand building, organization change management, reimagining business processes, strong customer engagement, and building high-performing teams which aligns well with Company's growth ambition.
Remuneration proposed	As stated in the explanatory statement above.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration as proposed of Mr. Manish Modi is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and nature of its businesses. Moreover, in his position as Managing Director of the Company, Mr. Manish Modi is responsible for overseeing the overall operations of the Company.
Pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel, if any.	Besides remuneration proposed and current equity holding in the Company, Mr. Manish Modi does not have any pecuniary relationship with the Company. Mr. Manish Modi is the spouse of Mrs. Aditee Modi (director of Modipon Limited). Further, Mr. Manish Modi is not related inter-se with any other member of the Board.

Other Information:

Reason of loss or inadequate profits	The loss incurred in the financial year 2022-23 is Rs 60.91 Lacs. The manufacturing operations of the Fibre unit of the Company was closed in the year 2007 and thereafter Company is into the business of real estate & development of its vacant land/adjacent land to factory after taking requisite permissions from Uttar Pradesh (UP) Government time to time. The said development was later on stopped by the UP Government vide its order dated 18.01.2019 on which hearing is sub-judice before the Industrial Department, Uttar Pradesh.
Steps taken or proposed to be taken for improvement	The Company is making all its efforts to get the Government order dated 18.01.2019 restored back. Further, Company has also filed applications in the year 2018-19 & 2022-23 to express its interest for the new project on the vacant factory land of the Company.
Expected increase in productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms as the same is subject to the outcome of land matter sub-judice before the Industrial Department

Details of directors seeking Re-appointment at the Annual General Meeting

Name of Director	Manish Modi
Date of Birth and Age	27.07.1968 (55 years)
Expertise in specific functional area	Entrepreneur & having good expertise in the manufacturing industries and IT and Startups

Qualifications and experience	Bachelor's degree in computer science and MBA from Columbia University. Further details in this connection are already provided above.
No. of shares held in the Company either directly or as beneficial owner	39,339
Directorship in other companies in past 3 years	13 The details of directorship in other companies during last 3 financial year is provided below: i. Modi Paint Private Limited ii. Anati Technologies Private Limited iii. Modipon Estates Private Limited iv. Status Mark Finvest Limited v. Netacross Holdings And Investments Private Limited vi. Daisy Investment Private Limited vii. Mangal Greens Private Limited viii. Hesa Enterprises Private Limited ix. Modi Intercontinental Private Limited x. Modimangal Estates Private Limited xi. Weld Excel India Limited xii. Rai Bahadur Gujarmal Modi and Bros Private Limited xiii. The Modi Trading and Industrial Syndicate Private Limited
Membership/ Chairmanship of committees in other companies in past 3 years	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Manish Modi is the spouse of Mrs. Aditee Modi (director of Modipon Limited). Further, Mr. Manish Modi is not related inter-se with any other member of the Board.
Terms and conditions of appointment including remuneration sought to be paid	As detailed in explanatory statement enclosed with the Notice
Remuneration last drawn	Nil

Date of first appointment on the Board	August 1, 2005
Number of Board meeting attended during the financial year 2022-23	4
Brief Resume	Mr. Manish Modi, Chairman & Managing Director of the Modipon Limited, joined Modipon Fibre unit in the year 2009. He has a Bachelor's Degree in Computer Science from Bangalore University. He is also MBA in Marketing from Columbia University. Dataquest Magazine (India) named him as one of the years 15 "Magical People" in 1997 and in 1998 he was included amongst Asia's top 50 young IT Entrepreneurs by the institute for the future. He founded NetAcross in 1996 in New Delhi with a vision to create an innovative, learning organization and its growth has featured in several international publications including Red Herring, Forbes, Newsweek and Asiaweek. He founded Exevo Inc., USA and Exevo India Limited in the year 2002. Exevo was a new breed of outstanding company and had grown leaps and bounds since it was founded. He was the CEO of Exevo Inc., USA. He is the member of various professional bodies including YPO, IACC, CII etc. and currently an active early stage investor focusing on rural and Agri tech.

By Order of the Board of Directors
For Modipon Limited

Dated : August 11, 2023
Place : New Delhi

Vineet Kumar Thareja
Company Secretary & Compliance Officer

DIRECTORS' REPORT

To the Shareholders,

Your directors have pleasure in presenting the 56th Annual Report with Audited Financial Statements for the financial year ended 31st March, 2023.

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS	2022-23 ₹ Lacs	2021-22 ₹ Lacs
Turnover	-	-
Other Income	-	136.05
Gross Profit (Loss) before Dep.	(60.91)	66.38
Depreciation	-	0.23
Profit/(Loss) after Depreciation	(60.91)	66.15
Add/(Less) Exceptional Income/ (Losses)	-	-
Profit/ (Loss) before Tax	(60.91)	66.15
Less/ (Add) :		
Provision for Taxation- Fringe Benefit Tax	-	-
Extra Ordinary item Taxes for earlier Year	-	-
Net Profit/(Loss) after Tax	(60.91)	66.15

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 to develop the Industrial project in the Modinagar to have optimal utilization of its real estate. The Company is also pressing its land matter pending with the Government.

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 Company proposes to commence new industrial project at an opportune time after the due approvals from the UP Government & resolving the land matter pending with the UP Government.

BOARD MEETINGS

The Board of Directors met 4 (Four) times during the period from 1st April, 2022 to 31st March, 2023. The Directors met on 27th May, 2022, 8th August, 2022, 14th November, 2022, and 13th February, 2023.

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 revenue from the operations and has reported a loss of Rs. 60.91 lacs after taking into account exceptional losses.

SHARE CAPITAL

As on March 31, 2023, the Authorized Share Capital of the Company was Rs.25,00,00,000 and having issued & paid-up share capital of the Company was consisting of 1,15,76,689 equity shares of Rs.10/- each and 71,792 preference shares of Rs. 100 each.

DIRECTORS & KEY MANAGERIAL PERSONNEL

As on 31st March, 2023, the Board of Directors and KMP of the Company consist of:-

S. No.	Directors Name	Designation
1.	Mr. Manish Modi	Executive Director, Chairperson, MD
2.	Mrs. Aditee Modi	Non-Executive - Non-Independent Director
3.	Mr. Mayur Maheshwari	Nominee Director
4.	Mr. Shashi Kant Ranjan	Non-Executive - Independent Director
5.	Ms. Kavita Rani	Non-Executive - Independent Director
6.	Mr. Nitesh Kumar	Non-Executive - Independent Director
7.	Mr. Vineet Kumar Thareja	Company Secretary & CFO

During the Financial year 2022-23, there has been no change in the Board of Directors and KMP of the Company except re-appointments of Mrs. Aditee Modi and Mr. Shashi Kant Ranjan.

KEY MANAGERIAL PERSONNEL

In pursuance of requirement of Section 203 of the Companies Act, 2013, Mr. Manish Modi, Chairman & Managing Director, Mr. Vineet Kumar Thareja, Chief Financial Officer/Company Secretary & Compliance 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, the Audit Committee consist of following members as on 31st March, 2023:-

S. No.	Name of Director	Designation
1.	Mr. Shashi Kant Ranjan	Non-Executive- Independent Director, Chairperson
2.	Ms. Aditee Modi	Non-Executive – Non-Independent Director, Member
3.	Ms. Kavita Rani	Non-Executive- Independent Director, Member
4.	Mr. Nitesh Kumar	Non-Executive- Independent Director, Member

The said Committee met on 27th May, 2022, 8th August, 2022, 14th November, 2022, and 13th February, 2023.

During the Financial Year 2022-23, there was no change in the Composition of the Audit Committee of the Company.

There were no occasions during the year where the Board of Directors did not accept the recommendations of the Audit Committee. Further, as on date, the composition of Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

B. NOMINATION AND REMUNERATION COMMITTEE

In compliance with Section 178(1) and Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as on 31st March, 2023, the Nomination & Remuneration Committee consist of three Directors out of which two are

Independent Director and one is Non-Executive Director. Mr. Shashi Kant Ranjan is the Chairman, Ms. Kavita Rani and Mrs. Aditee Modi are members of the said Committee.

The said Committee held on 8th August 2022.

During the Financial Year 2022-23, there was no change in the Composition of the Nomination and Remuneration Committee of the Company.

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. Further, as on date the composition of Nomination and Remuneration Committee is in compliance with Section 178(1) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with Section 178(5) and Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as on 31st March, 2023, the stakeholder's relationship committee consist of three Directors out of which two are Independent Director and one is Non-executive Director. Mr. Shashi Kant Ranjan is the Chairman, Ms. Kavita Rani and Mrs. Aditee Modi are members of the said Committee.

The said Committee met on 13th February 2023.

During the Financial Year 2022-23, there was no change in the Composition of the Stakeholder Relationship Committee of the Company.

Further, as on date, the composition of Stakeholders Relationship Committee is in compliance with Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

D. RISK MANAGEMENT COMMITTEE

The Company has also constituted a Risk Management Committee consisting of Mr. Manish Modi as Chairman and Mrs. Aditee Modi and Mr. Shashi Kant Ranjan as members and Mr. Vineet Kumar Thareja is the Secretary 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 financial 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 managed its own the internal accounts of the Company due to acute business losses since last several years and there was no revenue from operation to 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 4 (Four) No. of employees and out of which two are on retainerhip as on March 31, 2023.

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 Rs. 27 Lacs the amount payable to them with DRT which in the absence of any claim by these workmen, has been released by DRT to PNB. Recently, Deputy Labour Commissioner has passed its detailed order dated September 8, 2022 and submitted its detailed Order with the Special Secretary, Industrial Department, Lucknow as part of land issue matter which was pending before the Industrial Department since 2019. In the aforesaid order, the total dues to be paid to worker is Rs. 21,74,758 only against the alleged dues of Rs. 2,84,75,199. In Compliance of the aforesaid order dated 08.09.2022, Company has duly deposited Rs. 21,74,758 through Cheques in the name of each workmen as mentioned in the detailed Order. The aforesaid order was challenged by the workers before Hon'ble High Court of Allahabad which is pending for hearing.

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 2022-23	% increase in remuneration in FY 2021-22	Ratio of Remuneration to the median remuneration of employee
Mr. Manish Modi – Chairman & Managing Director	-	-	-
Mr. Vineet Kumar Thareja -Company Secretary & CFO	17,99,996	17,99,996	-

* Remuneration paid to him includes bonus and excludes Travelling expenses etc.

- b. The Median remuneration (based on salary) of employees of the Company during the financial year 2022-23 was Rs. 2,30,000/-.
- c. The percentage increase in the median remuneration (based on salary) of employees in the financial year 2022-23 was NIL. As the total salary has been paid same as compared to the previous year.
- d. Average percentile increases 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 the remuneration of Managing Director is NIL.

- 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. LLP, Chartered Accountants, Noida (Firm Regn. No.E300025) were Appointed as the statutory auditors for a further period of Five (5) years in the Annual General Meeting held on 27th September, 2021. 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 financial 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:

- that in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- 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.
- 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;
- 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 for the FY 2022-23 is available on the website of the Company i.e. www.modipon.net and can accessed through link <http://www.modipon.net/corporate-filings/>.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, the Company had appointed Mr. Ranjeet Kumar Verma, M/s. Ranjeet Verma & Associates, Practicing Company Secretary (FCS No. 6814, CP No.7463) of Vaishali (Ghaziabad) as Secretarial Auditors of the Company for the period from 1st April, 2022 to 31st March, 2023.

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 -1. 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 2023-24 also Company has appointed of 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, except the pendency of litigation before the UP Government, High Court and Supreme Court.

RELATED PARTY TRANSACTIONS

The Company has in place a policy on related party transactions and the said policy can be accessed on Company's website www.modipon.net.

No contracts or arrangements has been entered with related party in the context of Section 188 of the Companies Act, 2013 during the year under review. Further, the details of other related party transaction as approved by the audit committee and board of directors of the Company entered during the financial year 2022-23 forms part of the notes to financial statements.

FORMAL ANNUAL EVALUATION

As required under Section 134(2) (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 as recommended by the Nomination and Remuneration Committee 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, UPSIDA 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 Modi) (Aditee Modi)
Dated: 11th August 2023 Managing Director Director

**ANNEXURE-1
FORM NO.- MR-3
SECRETARIAL AUDIT REPORT**

(FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023)

[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
Hapur Road, Modinagar-201204

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, 2023** 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, 2023** 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 byelaws 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. Redemption of Preference Shares under the Companies Act, 2013

During the year under scrutiny, company has 15% redeemable preference shares of Rs 100 each preference shares due for redemption since 31st March, 1996 but not redeemed till date as per the earlier order of the High Court and later closure of operations of the Company in the year 2007.

2. 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 /litigation are pending in the various courts/forum:-

- (i) *Litigation filed by Gujarat State Fertilizers & chemicals Limited in the court of Vadodara & Suit in Mumbai for the recovery of due amount. GSFC has also filed the execution before the Ghaziabad Court the same is pending for further hearing.*
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 pending before the Meerut Court.*
- (iv) *5 cases have been filed by the workers of the company regarding the termination, misconduct and pre-retirement, two cases has been filed Singhal Transport Corporation regarding recovery of transportation dues during the time of closure of Modipon Fibre Unit and Excise duty matters pending before the Supreme Court of India challenging the validity of the Proviso to Rule 3(4) of the CENVAT Credit Rules, 2002.*
- (v) *The Punjab National Bank has initiated the proceeding against the company under section 7 of the Insolvency and Bankruptcy Code, 2016 before the NCLT, Allahabad Bench. The Hon'ble Delhi High Court vide its order dated 24.10.2019, stayed the DRAT and NCLT proceedings filed by the PNB and the next date of hearing is 14th August, 2023 for filing of counter affidavit by PNB Bank.*
- (vi) *During the year under scrutiny, the company has filed all required returns, forms with MCA/disclosures in Bombay stock exchange except MGT-7 for the period 2020-21 and 2021-22 which was not filed due to non-availability of documents from UPSIDC required for filing appointment related forms on MCA as on date. The Company is requesting the UPSIDC since long for the required information and now checking*

with concerned department of MCA for the resolution of the same.

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 as on date. There were no changes in the composition of the Board of Directors took place during the period under review and 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:

- a) Redemption / buy back of securities;
- b) 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

Place: Noida
Date: August 30, 2023
UDIN: F006814E000893381

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 2023 comprises of 6 Directors, out of which one is Chairman and Managing Director and Five are Non-Executive Directors. The Company has a Whole-time Chairman and therefore as required under the regulation 17 of (Listing Obligations and Disclosure Requirements) Regulations, 2015, one half of the Board should comprise of Independent Directors. Whereas Mr. Manish Modi is Chairman and Managing Director, Mr. Mayur Maheshwari, MD-UPSIDA is the nominee Director and Mr. Shashi Kant Ranjan, Ms. Kavita Rani and Mr. Nitesh Kumar are Non-Executive-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 at a time and are eligible for re-appointment in terms of Article 105 of the Articles of Association of the Company. Out of Five Non-Executive Directors, Nominee Director and Independent 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., 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. Further, the Composition of the Board is in compliance of requirement of regulation 17 of (Listing obligations and disclosure requirements) Regulation, 2015.

Based on the disclosures received from all the independent directors and in the opinion of the Board, the independent directors fulfil the conditions specified in the Companies Act, 2013 and SEBI Regulations and are independent of the management.

The Composition of the Board as on 31st March, 2023, 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 Directors	Category of Directorship	No. of Other Directorship*	No. of Other Committee(s)**		Shares held in the Company
			Membership	Chairmanship	
Mr. Manish Modi	MD & Chairman-Promoter	13	-	-	39339
Mrs. Aditee Modi	NED-Promoter	8	3	-	5448
Mr. Mayur Maheshwari	NED-Nominee	1	-	-	-
Mr. Shashi Kant Ranjan	NED-Independent	0	-	3	-
Ms. Kavita Rani	NED-Independent	0	3	-	-
Mr. Nitesh Kumar	NED-Independent	2	1	-	-

MD - Managing Director

NED - Non-Executive Director

* It includes directorship in listed companies, public and private companies (other than Modipon Limited).

** Represents Audit Committee, Stakeholder Relationship Committee and Nomination & Remuneration Committee

(a) 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.

(b) 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.

(c) Mrs. Aditee Modi is the wife of Mr. Manish Modi.

MEETINGS AND ATTENDANCE

During the year ended 31st March, 2023, Four Board Meetings were held i.e. on 27th May, 2022, 8th August, 2022, 14th November, 2022, and 13th February, 2023. The last Annual General Meeting was held on 29th September, 2022. Mr. Manish Modi- Chairperson 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
Mr. Manish Modi	4	Yes
Mr. Shashi Kant Ranjan	4	Yes
Mrs. Aditee Modi	4	Yes
Ms. Kavita Rani	4	Yes
Mr. Mayur Maheshwari	-	-
Mr. Nitesh Kumar	4	Yes

FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS

- Preamble: In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is required to Familiarize 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 familiarize the independent Directors in due compliance with the requirements.
- Familiarization 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 familiarization 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/>.

AUDIT COMMITTEE

Pursuant to Regulation 18 of the (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Audit Committee of the Board of Directors as on March 31, 2023 comprised of three Non-Executive Independent Director namely, Mr. Shashi Kant Ranjan, as Chairman, Ms. Kavita Rani and Mr. Nitesh Kumar and one Non-executive Director namely Mrs. Aditee 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.

During the Financial Year 2022-23, there was no change in the Composition of the Audit Committee of the Company.

There were no occasions during the year where the Board of Directors did not accept the recommendations of the Audit Committee. The composition of Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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, remuneration and terms of appointment of auditors
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the Management, the annual financial statements and auditors report thereon 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; modified opinion(s) in the draft audit report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing and monitoring, with the Management, the independence and performance of statutory and internal auditors, effectiveness of audit process, 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.
- Approval or any subsequent modification of transactions of the listed entity with related parties; 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.
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
- 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, 2023, Four Meetings were held on 27th May, 2022, 08th August, 2022, 14th November, 2022, and 13th February, 2023 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	4 and 27.05.2022, 08.08.2022, 14.11.2022 and 13.02.2023
Mrs. Aditee Modi	4 and 27.05.2022, 08.08.2022, 14.11.2022 and 13.02.2023

Ms. Kavita Rani	4 and 27.05.2022, 08.08.2022, 14.11.2022 and 13.02.2023
Mr. Nitesh Kumar	4 and 27.05.2022, 08.08.2022, 14.11.2022 and 13.02.2023

D. NOMINATION AND REMUNERATION COMMITTEE

As on 31st March, 2023, the Nomination and Remuneration Committee consist of three members including two Independent Directors and one Non-executive Director. Mr. Shashi Kant Ranjan (Chairman) and Ms. Kavita Rani (Member) -Independent Directors and Mrs. Aditee Modi -Non-Executive Director are the members of the Committee. The composition of Nomination and Remuneration Committee is in compliance with Section 178(1) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The said Committee met on 8th August, 2022.

Name of the Committee Member	No. and Date of Meeting Attended
Mr. Shashi Kant Ranjan	1 and 08.08.2022
Mr. Kavita Rani	1 and 08.08.2022
Ms. Aditee Modi	1 and 08.08.2022

Details of remuneration paid to the Directors of the Company during the year ended on 31st March 2023 was as under:

(₹ in Lacs)

Directors	Salary	Commission	Perquisites and Retirement Benefits	Sitting Fees**
Mr. Manish Modi	-	-	-	-
Mr. Shashi Kant Ranjan	-	-	-	1.80
Mr. Mayur Maheshwari	-	-	-	-
Mrs. Aditee Modi	-	-	-	-
Mr. Nitesh Kumar	-	-	-	1.80
Ms. Kavita Rani	-	-	-	1.80

** The aforesaid sitting fee has been shown as without TDS deductions.

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;
- (iv) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (v) ensure a transparent nomination process for Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (vi) 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 (2)(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 based on the evaluation criteria as recommended by the Nomination and Remuneration Committee evaluated the performance of the Board of Directors, its Committees and the performance of Independent Directors.

Further, 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 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, 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-à-vis the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the disclosures received from all Independent directors and in the opinion of the Board, the Independent directors fulfill the conditions specified in the Companies Act, 2013, the Listing Regulation, BSE listing manual and are independent of the Management.

E. STAKEHOLDERS' RELATIONSHIP COMMITTEE

As on 31st March, 2023 the Stakeholders' Relationship Committee comprises of the consist of three Directors out of which two are Independent Director and one is Non-executive Director. Mr. Shashi Kant Ranjan (Independent Director) and Ms. Kavita Rani (Independent Directors) and Mrs. Aditee Modi (Non-Executive Director) are the members of the said Committee.

The composition of Stakeholders Relationship Committee is in compliance with Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the Financial Year 2022-23, Nil investor complaints were received by the Company. Mr. Vineet Kumar Thareja, Company Secretary & Compliance Officer of the Company acts as Secretary to the committee. The status of the investor complaints is reported to the Board Members on quarterly basis.

The said Committee met on 13th February, 2023.

F. RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee consisting of Mr. Manish Modi as Chairman and Mrs. Aditee Modi and Mr. Shashi Kant Ranjan as members and Mr. Vineet Kumar Thareja is the Secretary of the Committee.

The said Committee was first time 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 6th February, 2023 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 11th August, 2023 also reviewed the individual performance of all the Independent Directors as per the standard criteria laid down. The Independent Directors whose performance was reviewed by the Board, excused themselves from attending that part of the meeting as required under the statute.

H. GENERAL BODY MEETINGS

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

Year ended	Type	Location	Date	Time	No. of Special Resolution passed
31.03.2022	AGM	Video Conferencing	29.09.2022	03.00 P.M.	2
31.03.2021	AGM	Video Conferencing	27.09.2021	03.00 P.M.	1
31.03.2020	AGM	Modipon Compound Modinagar	28.12.2020	03.00 P.M.	0

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.

I. DISCLOSURES

(a) Directors' Interest in the Company:

Directors make full disclosures to the Board of Directors regarding the nature of their interest in the Companies in which they are Directors or Members. The Company's contracts with the Companies in which some of the Directors of the Company are interested as Director or Member are in the ordinary course of the Company's business without giving any specific weightage to them and full particulars of such contracts entered into with the Companies are entered in the Register of Contracts maintained under Section 184 of the Companies Act, 2013 and the same are placed in every Board Meeting for the noting by the Directors.

In terms of Accounting Standard 18, the details of Related Party Transactions during the year have been set out at Note 40 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:

During the Financial Year 2022-23, the Company has filed all required disclosures in BSE Limited time to time. There were as no 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.

During the Financial Year 2022-23, the Company has filed all required disclosures with Bombay Stock Exchange without any delay.

The Company is in compliance with all the mandatory requirements of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 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 have 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 placed 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 Disclosure Requirements)

Regulations, 2015. As the Company does not have any subsidiary.

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 Jansatta.
- (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 : Wednesday, September 27, 2023 at 4:30 P.M.

Mode : Video Conferencing

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

Thursday, 21st September, 2023 to Wednesday, 27th September, 2023 (both 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 BSE Limited. The Company has paid the Listing Fees to the BSE Limited for the year 2022-23.

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, 2022	104.45	44.00
May, 2022	72.95	35.30
June, 2022	54.20	33.55
July, 2022	36.80	27.35
August, 2022	42.55	26.90
September, 2022	37.90	33.70
October, 2022	38.85	31.05
November, 2022	38.70	30.00
December, 2022	56.00	36.60
January, 2023	40.70	33.50
February, 2023	37.70	32.10
March, 2023	36.97	30.70

The quantity of shares transacted at the Stock Exchange is very low.

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. M/s MAS Services

Limited, T-34, 2nd Floor, Okhla Industrial 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, 2021 no Shares were pending for transfer for more than 15 days. Pursuant to Regulation 40(9) SEBI (Listing Obligation 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 dematerialization 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, 2023:

Share Holding of Nominal Value of Rs.	No. of Share-holders	Percentage of Shareholders	No. of Equity Shares held	Amount (in Rs)	Percentage of Share-holding
1 - 5000	7058	97.541	448789	4487890	3.876
5001 - 10000	86	1.186	64757	647570	0.559
10001 - 20000	43	0.593	61781	617810	0.533
20001 - 30000	10	0.138	25183	251830	0.217
30001 - 40000	5	0.069	18135	181350	0.156
40001 - 50000	4	0.055	17596	175960	0.152
50001 - 100000	12	0.165	78292	782920	0.676
100001 and above	28	0.386	10862156	108621560	93.827
Total	7,246	100.00	1,15,76,689	11,57,66,890	100.00

Shareholding Pattern as on 31st March, 2023:

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	3,38,683	2.95
Bodies Corporate	04	70,76,668	70,76,668	61.13
Sub Total (A)	11	74,17,875	74,15,351	64.08
B. Public Shareholding				
1. Institutional				
Mutual Funds/ UTI	03	7,100	-	0.06
Financial Institutions/Banks	05	475	100	0.00
Insurance Companies	02	1,51,740	1,51,690	1.31
Foreign Institutional investors	02	10,30,462	10,30,462	8.90
Sub Total (B)(1)	12	11,89,777	11,82,252	10.28
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	69	6,05,340	6,01,463	5.23
Individuals holding nominal share Capital upto Rs. Two lakhs	7113	7,68,377	4,73,825	6.64
Individuals holding nominal shares capital in excess of Rs.Two lakhs	05	2,88,503	2,65,562	2.53
NRIs/OCB	28	3,634	3,084	0.03
Clearing Members	6	1,159	1,159	0.01
Trust	1	50	50	0.00
Sub Total (B)(3)	7,222	16,67,063	13,45,143	14.40
Total Public Shareholding (B)=(B)(1)+(B)(2)+ (B)(3)	7,235	41,58,814	38,29,369	35.92
Total A + B	7,246	1,15,76,689	1,12,44,720	100.00

9. Dematerialization of Shares

There were 1,12,344,720 shares held in dematerialized form, which constitutes 97.13% of the Paid-up Equity Share Capital of the Company as on 31st March, 2023. As the Trading in the Shares of the Company is permitted only in dematerialized form, it is advisable that the Shareholders who have shares in physical form get their shares dematerialized.

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 Obligation 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, 2023.

12. CEO/CFO Certification

Certificate in compliance with Part B of Schedule II as specified in regulation 17(8) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 signed by Mr. Manish Modi, Managing Director and Mr. Vineet Kumar Thareja in respect of Modipon Limited were placed before the Board of Directors at its Meeting held on August 11, 2023.

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: investor@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	M- +91-9582388706

L. 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.

M. Declaration as required under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

All Directors and Senior Management of the Company have affirmed compliance with the Modipon Code of Conduct for the year ended 31st March, 2023.

For and on behalf of the Board,

Place: New Delhi (Manish Modi) (Aditee Modi)
Dated: 11th August 2023 Managing Director Director

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, 2023, 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 2023 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. F6814)
(CP No. 7463)

Place: New Delhi
Dated: 11th August, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V, Para C, Sub-clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Modipon Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the directors of Modipon Limited having CIN L65993UP1965PLC003082 and having registered office at Hapur Road, Modinagar – 201 204 (U.P.) (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para-C, Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications, including Directors Identification Number (DIN) status on the portal www.mca.gov.in, as considered necessary and explanations furnished to us by the Company & its officers, we, hereby, certify that none of the directors on the board of the Company as stated below has been debarred or disqualified from being appointed or continuing as director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority as on March 31, 2023:

S. No.	Name of Director	DIN
1	Manish Modi	00030036
2	Aditee Modi	00030120
3	Nitesh Kumar	06439789
4	Shashi Kant Ranjan	06651522
5	Kavita Rani	08853423
6	Mayur Maheshwari	08882590

Ensuring the eligibility for the appointment / continuity of every director on the board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of 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.F6814)
(CP No. 7463)

Place: New Delhi
Dated: 11th August, 2023

Independent Auditor's Report

The Members of Modipon Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone financial statements of **MODIPON LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

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 the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive profit, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- I. 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.
- II. During the quarter ended 30th June 2019, the Company has transferred amount of Rs.8.85/- Lakhs to Statement of Profit or Loss, which represents administration & consultancy expenses pertaining to the financial year ended as on 31st March 2019. The Company has not re-stated the comparative figures for prior periods items to correct the materiality of prior period errors retrospectively as required as per IND AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'. Due to the same, Loss of current financial year is being overstated by Rs 8.85/- Lakhs.
- III. (a) The Company has not provided interest of Rs. 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 Rs. 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 31st, 2023 has not been ascertained.
- IV. The amount of interest to be provided for in the books of account, if any, for the period April 1, 2007 to March 31st, 2023 to Small and Micro Enterprise has not been ascertained.
- V. During the year ended March 31, 2009, the Company has sold 65,743 sq.yds of its vacant land at Modinagar for Rs. 1021.15 Lakhs (original cost Rs. 1.95 Lakhs) for which the approval of bank is pending.
- VI. 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 Rs. 882.29 Lakhs and unsecured loan Rs. 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.

- VII. The Punjab National Bank (PNB) had approved one time settlement of its outstanding dues of Rs. 1900 lakhs vide its approval letters dated April 02, 2014 and April 12, 2014 respectively. In terms of the settlement, OTS amount of Rs. 1710 lakhs (Net of upfront payment of Rs. 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 Rs. 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 Rs. 1270 lakhs by March 31, 2016 and total interest on OTS payment @ 10.25% (simple) by June 30, 2016. The Company has paid Rs. 1270 lakhs upto December 31st, 2018 along with interest of Rs 2,59,62,100/-. The company has already made provision of interest on account of delayed payment of OTS of Rs 94,43,358/- in their books upto 30th September 2018 and booked balance amount of interest in the quarter ending 31st December 2018.
- VIII. (a) The Punjab National Bank has initiated the proceeding against the company under section 7 of the Insolvency and Bankruptcy Code, 2016 before the NCLT, Allahabad Bench and other Proceeding before DRT-II and recovery Officer, DRT- II, New Delhi due to non-fulfillment of OTS Terms/conditions vide OTS letter dated July 02, 2015 issued by PNB.

Further as per Debts Recovery Tribunal-II, Delhi an order dated 30 July, 2018, has been passed in favor of the company and directed PNB to accept Rs. 65 lakhs as outstanding principal of OTS plus Rs. 2,59,62,100/- as interest @10.25% as per revived OTS vide its letter dated July 02, 2015 on delayed payment upto 15 March, 2018 which was later on accepted and paid by the company in terms of the DRAT order.

During the pendency of the appeal, PNB has encashed the said amount of Rs. 65 Lacs towards principal OTS and Rs. 2,59,62,100/- towards interest in term of the order of Debts Recovery Appellate Tribunal (DRAT), New Delhi. Further, the DRAT has reserved the order on 27.12.2018 in the said matter. Further The Hon'ble Delhi High Court vide its order dated 24.10.2019, stayed the DRAT and NCLT proceedings filed by the PNB till the next date of hearing, as a result the company has not considered any liability in till its books in addition to the dues already settled as per DRAT order dated 30th July, 2018

During the pendency of order before DRAT, the PNB has revived OTS vide letter dated 25.03.2019 against payment of Rs. 459.62 lacs on the following terms & conditions:

Terms & conditions:

- 1) The proceeds of FDRs amounting to Rs. 65 lacs and Rs. 259.62 lacs kept with us will be appropriated simultaneously on conveying approval of revival of OTS.
- 2) Rs. 135 lacs will be deposited within one week of receipt of this sanction letter.
- 3) The party to undertake to pay commercial tax liability as demanded by the Commercial Tax Authority.
- 4) No Dues Certificate will be issued, Bank's charge on the security/tittle deeds will be released only after receipt of OTS amount in full and on clearance of commercial tax liability as stated above. (Satisfactory proof/letter from the competent authority in this regard to be submitted).

The company has already deposited balance of OTS amount of Rs.65 lacs plus delayed period interest of Rs. 259.62 lacs with the bank in terms of DRAT & DRT orders and further Rs.135 lacs over and above original OTS amount deposited

by the company in terms of revived OTS vide letter dated 25.03.2019 within one week of receipt of letter.

In respect of commercial tax liability the company has filed an appeal against the order of Commissioner of Commercial Tax before Hon'ble High Court of Allahabad through Punjab National Bank and the Court has directed vide order dated 26.11.2018 that the operation and effect of the impugned order dated 08.08.2018 passed by the Commercial Tax Tribunal, Ghaziabad in Appeal no 1353 of 2013, shall remain stayed subject to the applicant depositing 50% of the commercial tax liability imposed on it and furnish security for the balance amount other than cash or bank guarantee to the satisfaction of the tribunal within a period of three weeks from the date of direction.

The company deposited Commercial Tax of Rs 54.94 lacs out of Commercial Tax liability of Rs 183.90 lacs along with interest of Rs 3.07 lacs for the period starting from 18.12.2018 to 02.05.2019 as on 03.05.2019 in compliance with order dated 26.11.2018 of the Hon'ble High Court of Allahabad and communicated the same to PNB vide letter dated 03.05.19.

Further, PNB vide letter dated 04.05.2019 requested the company to submit No Dues Certificate from tax authorities after paying the commercial tax liability to bank for compliance of OTS Sanction within 3 days else OTS will be declared as failed. Since the company failed to reply to the same, PNB vide letter dated 04.07.2019 informed that the tax authorities have declared OTS revival as failed and PNB is resuming all recoveries as usual. Further, DRAT allowed appeal of PNB on 20.08.2019. The Company filed Writ Petition in the Delhi High Court against order of the DRAT. The Hon'ble Delhi High Court vide its order dated 24.10.2019, stayed the DRAT and NCLT proceedings filed by the PNB till the next date of hearing which is listed on 19th February, 2020. On 19th February, 2020 interim order dated 24th October, 2019 was made absolute during the pendency of the writ petition. On the last date of hearing i.e., 29.03.2023, Counsel for the Bank seeks time again and granted four weeks' time to file and rejoiner if any, to be filed before the next date of hearing is 14.08.2023.

- (b) The outstanding liability in the books of the company is higher than the OTS amount by Rs. 183.90 lakhs and in the absence of any documentary evidence from the management as well as PNB, we are unable to quantify the amount of interest on the amount of Rs.183.90 lakhs; the amount of Rs.183.90 lakhs 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.

The above matter is sub-judice before Hon'ble High Court of Allahabad for further hearing.

- IX. The Commissioner Central Excise & Service Tax, Kamla Nehru Nagar CGO, Complex 2 Ghaziabad vide its memorandum order No.31/COMM/CX/GZB/2017-18 dated 31.01.2018 had ordered for payment of

- Amount of central excise duty of Rs. 44,92,663/-
- Amount of interest of Rs. 6,56,116/-
- Amount of penalty of Rs. 6,56,116/-

for the period from 1994 to 1997.

The company has not made provision of the said amount & further interest thereon in its books till 31st March, 2023, due to which profit is understated by Rs. 58,04,895 plus interest.

Further the company has filed appeal against the order of Commissioner Central Excise & Service Tax, Kamla Nehru Nagar CGO, Complex 2 Ghaziabad before custom excise & service tax appellate tribunal, Allahabad.

- X. (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 Rs. 153.92 Lakhs is still lying unallocated under unsecured loans in view of pending successful implementation of OTS of the dues of PNB as the settlement of assigned dues with AML is linked to the OTS of dues with PNB.

- (b) 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 Rs. 339.20 Lakhs is still lying unallocated under unsecured loans in view of pending successful implementation of OTS of the dues of PNB as the settlement of dues with AML is linked to the OTS of dues with PNB.
- (c) 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 Rs. 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.

The effect if any, on the income/expenditure of the company on final OTS with PNB cannot be ascertained.

- XI. The company has 15% redeemable cumulative preference shares of Rs 100 each. Preference shares due for redemption since 31st March 1996.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 35 in the standalone financial statements, which indicates that the standalone financial statements of the Company for the year ended March 31, 2023 have 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. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section and Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report:

The key audit matters	How our audit addressed the key audit matter
Evaluation of uncertain tax positions	
<p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 2(i), 2(o)(ii) and 33 to the Standalone Financial Statements</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained understanding of key uncertain tax positions; • Obtained details of completed tax assessments and demands for the year ended March 31, 2023 from management; and • We along with our internal tax experts- <ul style="list-style-type: none"> ○ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and ○ Assessed management's estimate of the possible outcome of the disputed cases.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the

key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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, based on our audit 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 purpose 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d. In our opinion the aforesaid financial statements comply with the IND AS section 133 of the Act.
- e. On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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".
- g. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33 to the Standalone financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material losses;

iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the company.

iv) A) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

B) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The company has not declared or paid any dividend during the year in contravention of the provision of Section 123 of Companies Act, 2013.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, accordingly, reporting under Rule 11 (g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Sd/-
CA. Sunil Kumar Jha

Partner

Membership No.543805

Place : New Delhi
Date : 29th May, 2023
UDIN: 23543805BGXTWU2401

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Modipon Limited of even date)

- i) In respect of the Company's fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - According to the information and explanations given to us reporting under clause 3(i) (a) (2) of the Order is not applicable for the year.
- b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified at periodic intervals. In accordance with this program 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.
- d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e) According to the information and explanations given to us any proceedings have not been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) a) In respect of Company's Inventory, on the basis of information and explanation provided by the management, the Company does not hold any inventory. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- b) The company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) During the year the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore the provisions of clause 3(iii) of the said Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.
- v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014 dated December 31, 2014 to the current operations carried out by the Company. Accordingly, the provisions of clause 3(vi) of the Order 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, 2023 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
Goods and Service Tax Laws	Goods and Service tax	23.41
Income Tax Laws	Income Tax Deducted at Source	74.03
	Total	184.49

- (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:

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	2004-05	Supreme Court
		1428.88	2005-06	
		1010.75	2006-07	
	Sales Tax	1.41	1991-92	High Court
		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
	Excise Duty	44.93		
	Interest	6.56	1994-97	
	Penalty	6.56		
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) According to the information and explanation given to us there is no transaction which is not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year.

ix) (a) 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:

The Punjab National Bank (PNB) had approved one time settlement of its outstanding dues of Rs. 1900 lakhs vide its approval letters dated April 02, 2014 and April 12, 2014 respectively. In terms of the settlement, OTS amount of Rs. 1710 lakhs (Net of upfront payment of Rs. 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 Rs. 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 Rs. 1270 lakhs by March 31, 2016 and total interest on OTS payment @ 10.25% (simple) by June 30, 2016. The Company has paid Rs. 1270 lakhs upto December 31st, 2018 along with interest of Rs 2,59,62,100/-. The company has already made provision of interest on account of delayed payment of OTS of Rs.94,43,358/- in their books upto 30th September 2018 and booked balance amount of interest in the quarter ending 31st December 2018.

The Punjab National Bank has initiated the proceeding against the company under section 7 of the Insolvency and Bankruptcy Code, 2016 before the NCLT, Allahabad Bench and other Proceeding before DRT-II and recovery Officer, DRT- II, New Delhi due to non-fulfillment of OTS Terms/conditions vide OTS letter dated July 02, 2015 issued by PNB.

Further as per Debts Recovery Tribunal-II, Delhi an order dated 30 July, 2018, has been passed in favor of the company and directed PNB to accept Rs. 65 lakhs as outstanding principal of OTS plus Rs. 2,59,62,100/- as interest @10.25% as per revived OTS vide its letter dated July 02,2015 on delayed payment upto 15 March,2018 which was later on accepted and paid by the company in terms of the DRAT order.

During the pendency of the appeal, PNB has encashed the said amount of Rs. 65 Lacs towards principal OTS and Rs. 2,59,62,100/- towards interest in term of the order of Debts Recovery Appellate Tribunal (DRAT), New Delhi. Further, the DRAT has reserved the order on 27.12.2018 in the said matter. Further The Hon'ble Delhi High Court vide its order dated 24.10.2019, stayed the DRAT and NCLT proceedings filed by the PNB till the next date of hearing, as a result the company has not considered any liability in till its books in addition to the dues already settled as per DRAT order dated 30th July, 2018.

During the pendency of order before DRAT, the PNB has revived OTS vide letter dated 25.03.2019 against payment of Rs. 459.62 lacs on the following terms & conditions:

Terms & conditions:

- 1) The proceeds of FDRs amounting to Rs. 65 lacs and Rs. 259.62 lacs kept with us will be appropriated simultaneously on conveying approval of revival of OTS.
- 2) Rs. 135 lacs will be deposited within one week of receipt of this sanction letter.
- 3) The party to undertake to pay commercial tax liability as demanded by the Commercial Tax Authority.
- 4) No Dues Certificate will be issued, Bank's charge on the security/title deeds will be released only after receipt of OTS amount in full and on clearance of commercial tax liability as stated above. (Satisfactory proof/letter from the competent authority in this regard to be submitted).

The company has already deposited balance of OTS amount of Rs.65 lacs plus delayed period interest of Rs. 259.62 lacs with the bank in terms of DRT & DRAT orders and further Rs.135 lacs over and above original OTS amount deposited by the company in terms of revived OTS vide letter dated 25.03.2019 within one week of receipt of letter.

In respect of commercial tax liability the company has filed an appeal against the order of Commissioner of Commercial Tax before Hon'able High Court of Allahabad through Punjab National Bank and the Court has directed vide order dated 26.11.2018 that the operation and effect of the impugned order dated 08.08.2018 passed by the Commercial Tax Tribunal, Ghaziabad in Appeal no 1353 of 2013, shall remain stayed subject to the applicant depositing 50% of the commercial tax liability imposed on it and furnish security for the balance amount other than cash or bank guarantee to the satisfaction of the tribunal within a period of three weeks from the date of direction.

The company deposited Commercial Tax of Rs 54.94 lacs out of Commercial Tax liability of Rs 183.90 lacs along with interest of Rs 3.07 lacs for the period starting from 18.12.2018 to 02.05.2019 as on 03.05.2019 in compliance with order dated 26.11.2018 of the Hon'ble High Court of Allahabad and communicated the same to PNB vide letter dated 03.05.19.

Further, PNB vide letter dated 04.05.2019 requested the company to submit No Dues Certificate from tax authorities after paying the commercial tax liability to bank for compliance of OTS Sanction within 3 days else OTS will be declared as failed. Since the company failed to reply to the same, PNB vide letter dated 04.07.2019 informed that the tax authorities have declared OTS revival as failed and PNB is resuming all recoveries as usual. Further, DRAT allowed appeal of PNB on 20.08.2019. The Company filed Writ Petition in the Delhi High Court against order of the DRAT. The Hon'ble Delhi High Court vide its order dated 24.10.2019, stayed the DRAT and NCLT proceedings filed by the PNB till the next date of hearing which is listed on 19th February, 2020. On 19th February, 2020 interim order dated 24th October, 2019 was made absolute during the pendency of the writ petition. On the last date of hearing i.e., 29.03.2023, Counsel for the Bank seeks time again and granted four weeks' time to file and rejoinder if any, to be filed before the next date of hearing is 14.08.2023.

The outstanding liability in the books of the company is higher than the OTS amount by Rs. 183.90 lakhs and in the absence of any documentary evidence from the management as well as PNB, we are unable to quantify the amount of interest on the amount of Rs.183.90 lakhs; the amount of Rs.183.90 lakhs are 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.

The above matter is subjudice before Hon'ble High Court of Allahabad for further hearing.

- (b) According to the information and explanations given to us the Company has not been declared willful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records the company has not been taken any term loan bank.
- (d) According to the information and explanations given to us and on the basis of our examination of the records the company has not been taken any short-term loan.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

- x) a) The company did not raise any money by way of initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3(x) of the Order is not applicable.
- b) The company has not made any preferential allotment or private placement of shares or convertible debentures. Accordingly, paragraph 3(x) (b) of the Order is not applicable.
- xi) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv) (a) The company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit were not provided by Management at the time of audit.
- xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xv) (b) of the Order is not applicable.
- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xv) (c) of the Order is not applicable.
- xvii) The company has incurred cash loss in the financial year 2022-23 amounting to Rs. 65.68 Lacs and in the immediately preceding financial year amounting to Rs. 70.62 Lacs.
- xviii) There has not been any resignation of the statutory auditors during the year.
- xix) According to the information and explanations given to us and expected realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, has come to our attention, which causes us to believe that material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date due to the land issues pending before the UP Government. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged or not by the Company as and when they fall due.
- xx) According to the information and explanations given to us and based on our examination of the records of the company second proviso to sub-section (5) of section 135 is not applicable on company. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.
- xxi) According to the information and explanations given to us reporting under clause 3(xxi) of the Order is not applicable for the year.

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

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

Place : New Delhi
 Date : 29th May, 2023
 UDIN: 23543805BGXTWU2401

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Modipon Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. 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 respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial - reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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.

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

Sd/-
CA. Sunil Kumar Jha
Partner

Place : New Delhi
Date : 29th May, 2023
UDIN: 23543805BGXTWU2401

Membership No.543805

BALANCE SHEET

As on 31st March, 2023

Particulars	Note	(₹ in Lakhs)	
		As at 31.03.2023	As at 31.03.2022
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment		-	-
(b) Other intangible assets	4	-	-
(c) Capital work - in - progress	4	1.73	1.73
(d) Investment Property		-	-
(e) Financial assets			
(i) Investments	5	0.44	0.44
(ii) Trade receivables		-	-
(iii) Loans	6	83.12	83.12
(iv) Others		-	-
(f) Deferred tax assets (net)		-	-
(g) Other non - current assets	7	72.98	72.98
		158.27	158.27
(2) Current assets			
(a) Inventories		-	-
(b) Financial assets			
(i) Trade receivables		-	-
(ii) Cash and cash equivalents	8	0.63	0.52
(iii) Bank Balances	9	4.04	4.04
(iv) Loans		0.00	-
(v) Others	10	515.23	515.96
(c) Current tax assets (net)	11	0.32	0.32
(d) Other current assets	12	87.96	87.96
		608.18	608.80
Total Assets		766.45	767.08
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13 & 3(A)	1157.67	1,157.67
(b) Other equity	3 (B)	-10207.64	-10,146.73
		-9049.97	-8,989.06
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	725.15	725.15
(ii) Trade payables	-	-	-
(iii) Other financial liabilities	15	1847.07	1,847.07
(b) Provisions	16	10.61	10.61
(c) Other non-current liabilities	17	227.11	227.11
		2809.95	2,809.94
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	3734.91	3,703.85
(ii) Trade payables	19	2452.47	2,451.76
(iii) Other financial liabilities	20	195.10	174.44
(b) Other current liabilities	21	538.21	530.35
(c) Provisions	22	85.78	85.78
		7006.46	6,946.18
Total Equity & Liabilities		766.45	767.08

STATEMENT OF PROFIT & LOSS

For the Year ended 31st March, 2023

Particulars	Note	(₹ in Lakhs)	
		For the year ended 31.03.2023	For the year ended 31.03.2022
I Revenue from operations		-	-
II Other income	23	-	136.05
III Total income (I + II)		-	136.05
IV Expenses:			
Employee benefits expenses	24	25.00	23.00
Finance costs	25	-	-
Depreciation and amortization expenses	26	-	0.23
Other expenses	27	35.91	46.68
Total expenses (IV)		60.91	69.90
V Profit / (loss) before exceptional items and tax (III - IV)		(60.91)	66.15
VI Exceptional items	28	-	-
VII Profit / (loss) before tax (V - VI)		(60.91)	66.15
VIII Tax expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Income tax pertaining to earlier years		-	-
(4) Mat Credit		-	-
		(60.91)	66.15
IX Profit / (loss) from continuing operations (VII - VIII)		(60.91)	66.15
X Profit / (loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit / (loss) from discontinued operations (after tax) (X - XI)		(60.91)	66.15
XIII Profit / (loss) for the period (IX + XII)		(60.91)	66.15
XIV Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss		-	-
(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		-	-
		(60.91)	66.15
XV Total comprehensive income for the period (XIII + XIV)		(60.91)	66.15
XVI Earnings per equity share (for continuing operations)			
(1) Basic	29	(0.53)	0.57
(2) Diluted	29	(0.53)	0.57
XVII Earnings per equity share (for discontinued & continuing operations)			
(1) Basic	29	(0.53)	0.57
(2) Diluted	29	(0.53)	0.57

Summary of Significant Accounting Policies

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 : May 29, 2023
UDIN: 23543805BGXTWU2401

For & on behalf of Board of Directors

(Manish Modi)
Managing Director
DIN 00030036

(Aditee Modi)
Director
DIN 00030120

(Vineet Kumar Thareja)
Company Secretary & CFO

CASH FLOW STATEMENT

for the year ended 31st March, 2023

Particulars	(₹ in Lakhs)	
	For the year ended on March 31,2023	For the year ended on March 31,2022
A. Cash Flow from operating activities		
Net Profit before tax	(60.91)	66.15
Adjustments for :		
Depreciation (Net)	-	0.23
Exceptional Item	-	-
(Profit)/Loss on sale of Fixed Assets	-	0.02
Interest Received	-	-
Interest Expenses	-	-
Prior Period Error	-	-
Miscellaneous Income	-	-
Operation profit before working capital changes	(60.91)	66.39
Working Capital Adjustment:		
Increase/(Decrease) in Financial Assets (others)	0.73	0.64
Increase/(Decrease) in Current Tax Asset	-	-
Increase/(Decrease) in Other current assets	-	-
Increase/(Decrease) in Borrowings	31.06	56.84
Increase/(Decrease) in Trade payables	0.71	1.50
Increase/(Decrease) in Other financial liabilities	20.66	(114.40)
Increase/(Decrease) in Other current liabilities	7.86	(12.00)
Increase/ (Decrease) in Provisions	-	-
Net Cash generated from operations	0.09	(1.02)
Direct taxes paid		
Net cash from operating activities	(A) 0.09	(1.02)

Particulars	(₹ in Lakhs)	
	For the year ended on March 31,2023	For the year ended on March 31,2022
B. Cash flow from investing activities		
Purchase of Intangible Asset	-	-
Capital WIP	-	-
Other non - current assets	-	-
Interest Income	-	-
Compensation Received	-	-
Sale of Fixed Assets	-	-
Miscellaneous Income	-	-
Net cash used in investing activities	(B) -	-
C. Cash flow from financing activities		
Repayment from long-term borrowings	-	-
Loans and Advances	-	-
Payment for OTS	-	-
Proceeds from Issue of Equity Shares	-	-
Interest paid	-	-
Net cash used in financing activities	(C) -	-
Net increase in cash & cash equivalent (A+B+C)	0.09	(1.02)
Cash and Cash equivalents as at 01.04.2022 (Opening Balance)	4.57	5.60
Cash and Cash equivalents as at 31.03.2023 (Closing balance)	4.66	4.57
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

CA Sunil Kumar Jha
Partner
Membership No. : 543805

Place : New Delhi
Dated : May 29, 2023
UDIN: 23543805BGXTWU2401

For & on behalf of Board of Directors

(Manish Modi)
Managing Director
DIN 00030036

(Vineet Kumar Thareja)
Company Secretary & CFO

(Aditee Modi)
Director
DIN 00030120

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Significant Accounting Policies Forming Part of the Financial Statements for the year ended March 31, 2023.

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 BSE Limited. 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 May 29, 2023.

Registration details:

CIN No.: L65993UP1965PLC003082

State code: UP

2) Significant Accounting Policies
a) Basis of Preparation

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

The financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 Statement of Cash Flows has been prepared under indirect method.

b) Use of Estimates

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

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

Property, plant and equipment are eliminated from the financial statements, 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 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) Lease

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019.

Right of Use Assets

The Company recognizes a right-of-use asset, on a lease-by-lease basis, to measure that right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

The cost of right-of-use assets includes the amount of lease liabilities recognized. Initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment test.

Lease Liabilities

The Company recognize a lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on a lease by lease basis.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Short-term Leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgment in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

f) 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 Ind AS-38 – Intangible assets.

Intangible assets are amortised on straight line method over useful life not exceeding four years.

g) 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.

h) 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.

i) 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.

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.

j) Income Taxes

Income 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.

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.

k) 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.

l) Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2(K) – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company was insignificant.

- i) 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.
- ii) Indirect costs are treated as “period costs” and are charged to the Statement of profit & loss in the year in which they are incurred.
- iii) Interest income on fixed deposit with banks is recognized on time proportion basis taking into account the amount outstanding and the rates applicable.
- iv) Dividend income is recognized when right to receive the payment is established.

m) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with borrowings of funds. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized 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. All other borrowing costs not eligible for capitalization 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**i. Initial Recognition**

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 fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through statement of profit or loss, are added to the fair value on initial recognition.

Subsequent Measurement**Non-derivative financial instruments****➤ Financial assets carried at amortised cost-debt**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

➤ Financial assets at fair value through other comprehensive income-debt

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

➤ Financial assets at fair value through profit or loss-debt

A financial asset which is not classified in any of the above categories are subsequently fair valued through statement of profit or loss.

➤ Financial assets at fair value through other comprehensive income –equity (FVOCI)

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

➤ Financial assets at fair value through profit or loss-equity

A financial asset i.e. equity which is not classified as FVOCI, are subsequently fair valued through profit or loss.

➤ Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance

with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

➤ Impairment of Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through statement of profit and loss. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

The company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

➤ Investment in subsidiaries/associates/joint ventures

Investment in subsidiaries/associates/joint venture is carried at cost in the financial statements.

➤ Cash and cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

➤ Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, for trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii. Derecognition

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

iii. 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.

iv. 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.

v. Current and Non-current Classification

The Management classifies assets and liabilities into current and non-current categories on 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:

i) 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.

ii) 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.

iii) 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
(1) CURRENT REPORTING PREIOD (AS AT 31ST MARCH 2023)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting periods
1,157.67	-	-	-	1,157.67

(2) PREVIOUS REPORTING PREIOD (AS AT 31ST MARCH 2022)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting periods
1,157.67	-	-	-	1,157.67

(B) OTHER EQUITY
(1) CURRENT REPORTING PREIOD (AS AT 31ST MARCH 2023)

(₹ in Lakhs)

Particulars	Share Application Money Pending Allotment	Equity component of compound financial instruments	Reserves and Surplus				Items of other comprehensive income						Money Received against share warrants	Total	
			Capital reserve	Securities Premium	General Reserve	Retained earnings	Debt instruments through other comprehensive income	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Re-valuation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of other comprehensive income (specify nature)			
Balance at the beginning of the current reporting period As at 01.4.2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening Ind as Adjustment	-	-	21.80	-	158.84	-10,327.37	-	-	-	-	-	-	-	-	(10,146.73)
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period as at 01.04.2022	-	-	21.80	-	158.84	-10,327.37	-	-	-	-	-	-	-	-	(10,146.73)
Total comprehensive income for the current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit of the period	-	-	-	-	-	-60.91	-	-	-	-	-	-	-	-	(60.91)
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to revaluation reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted against depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletion during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting periods As at 31.03.2023	-	-	21.80	-	158.84	-10,388.28	-	-	-	-	-	-	-	-	(10,207.64)

(2) PREVIOUS REPORTING PERIOD (AS AT 31ST MARCH 2022)

(₹ in Lakhs)

Particulars	Share Application Money Pending Allotment	Equity component of compound financial instruments	Reserves and Surplus				Items of other comprehensive income						Money Received against share warrants	Total	
			Capital reserve	Securities premium account	General Reserve	Retained earnings	Debt instruments through other comprehensive income	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Re-valuation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of other comprehensive income (specify nature)			
Balance at the beginning of the current reporting period As at 01.4.2021	-	-	21.80	-	158.84	-10,393.52	-	-	-	-	-	-	-	-	(10,212.88)
Opening Ind as Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period as at 01.04.2021	-	-	21.80	-	158.84	-10,393.52	-	-	-	-	-	-	-	-	-10,212.88
Total comprehensive income for the current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit of the period	-	-	-	-	-	66.15	-	-	-	-	-	-	-	-	66.15
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to revaluation reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted against depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletion during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting periods As at 31.03.2022	-	-	21.80	-	158.84	-10,327.37	-	-	-	-	-	-	-	-	(10,146.73)

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 31.03.22	2.07	0.00	2.07	0.53	0.53	1.73
Acquired during the year	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 31.03.23	2.07	0.00	2.07			
Depreciation						
As at 31.03.22	2.07	-	2.07	-	-	-
Charge for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 31.03.23	2.07	-	2.07	-	-	-
Net Block						
As at 31.03.2022	-	-	-	-	-	1.73
As at 31.03.2023	-	-	-	-	-	1.73

NOTE 5 : NON- CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As At March 31, 2023		As At March 31, 2022	
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	
Less : Provision for Diminution in Value	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
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
640 (March 31, 2017 : 640) Century Enka Limited		0.04		0.04
225 (March 31, 2017 : 225) Garware Nylons Limited		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
(ii) Unquoted : At Cost				
(a) Investment in Equity Shares				
3,460 (March 31, 2017 : 3,460) Modi Intercontinental Pvt Ltd		0.35		0.35
15,126 (March 31, 2017 : 15,126) Haryana distliery limited (Refer Note 2 and 3 below)		0.00		0.00
15,126 (March 31, 2017 : 15,126) Rajputana Fertilizer limited (Refer Note 2 and 3 below)		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
(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
		0.44		0.44
Carrying amount of quoted investments		0.09		0.09
Carrying amount of unquoted investments		0.35		0.35
Aggregate provision for diminution in value of investments		150.00		150.00

Notes:-

- Aggregate Market Value is exclusive of these investments in view of non-availability of Current Market rates.
- 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 March, 2023	As at 31 March, 2022
Security Deposits		
- Secured, considered good	-	-
- Unsecured, considered good	72.39	72.39
- Doubtful	-	-
Loans to related parties		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Other		
- Unsecured, considered good	10.73	10.73
- Doubtful	61.40	61.40
- Provision for Doubtful Loans	-61.40	-61.40
Total	83.12	83.12

NOTE 7 : OTHER NON CURRENT ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advances for Land -		
- Land holding companies (Related Parties):		
-- Considered good	14.48	14.48
-- Doubtful	110.88	110.88
-- Provision for doubtful advances	-110.88	-110.88
Others: Balance with Bank held as margin money against guarantees	58.40	58.40
Other assets		
Fixed Deposit booked	0.10	0.10
Total other assets	72.98	72.98

NOTE 8 : CASH & CASH EQUIVALENTS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balances with banks		
- in Current Accounts	0.147	0.04
Cash on hand	0.47	0.47
Others: Silver Coin	0.01	0.01
Total	0.63	0.52

NOTE 9 : BANK BALANCES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Other Bank Balances	4.04	4.04
Total	4.04	4.04

NOTE 10 : OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Considered good:		
- Fixed Assets Held for Disposal	230.88	230.88
- Advances Recoverable in cash or kind (Related Party)	63.88	63.88
- Advances to Employee	0.80	0.80
- Other Advances	34.78	34.78
- Interest accrued on fixed deposits	4.85	4.85
- Income Accrued on Commission / Brokerage	-	-
- Other Payables	180.04	180.77
Doubtful:		
- Advance against Share Purchase	9.33	9.33
- Provision for Doubtful Advances	-9.33	-9.33
Total	515.23	515.96

NOTE 11 : CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
TDS	0.32	0.32
Total	0.32	0.32

NOTE 12 : OTHER CURRENT ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Prepaid Expenses	-	-
Advances to Suppliers/Contractors	-0.01	-0.01
Balance with Statutory Authorities	451.01	451.01
Provision for Doubtful Loans and Advances	-363.04	-363.04
Total other current assets	87.96	87.96

NOTE 13 : SHARE CAPITAL

	As at 31 March, 2023	As at 31 March, 2022
Authorised Share Capital		
2,00,00,000 Equity shares of ₹ 10/- each)	2,000.00	2,000.00
5,00,000 Preference shares of ₹ 100/-each)	500.00	500.00
	2,500.00	2,500.00

Issued, Subscribed & Paid-up Shares

	As at 31 March, 2023	As at 31 March, 2022
Equity Share Capital		
11576689 Equity Shares of ₹10/-each fully paid-up	1,157.67	1,157.67
Preference share capital		
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, 2023		March 31, 2022	
Equity Shares	No. of shares	Amount	No. of shares	Amount
Balances of Shares at the beginning of year	1,15,76,689	1,157.67	1,15,76,689	1,157.67
Add:- Addition during the year	-	-	-	-
Less:- Buy back during the year	-	-	-	-
Balances of Shares at the end of the year	1,15,76,689	1,157.67	1,15,76,689	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. Shareholding of Promoters Shares held by promoters at the end of year

	March 31, 2023		March 31, 2022		% Change during the year
	No. of shares	% holding	No. of shares	% holding	
Daisy Investment Pvt. Ltd.	769,229	6.64%	769,229	6.64%	NIL
Modi Industries Limited	700,000	6.05%	700,000	6.05%	NIL
Ashoka Mercantile Limited	1,822,162	15.74%	1,822,162	15.74%	NIL
Modi Intercontinental Pvt. Ltd.	3,785,277	32.70%	3,785,277	32.70%	NIL
Ginni Devi Modi	2,524	0.02%	2,524	0.02%	NIL

M.K Modi	211	0.00%	211	0.00%	NIL
Veena Modi	259925	2.25	259925	2.25%	NIL
Manish Modi	39339	0.34%	39339	0.34%	NIL
Aditee Modi	5448	0.05%	5448	0.05%	NIL
Ruchika Modi	5458	0.05%	5458	0.05%	NIL
M.K Modi (HUF)	28302	0.24%	28,302	0.24%	NIL

e. No. of Shares held by each shareholder holding more than 5% of Share

	March 31, 2023		March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
APMS Investment Fund Ltd	691167	5.97%	776009	6.70%
UP State India Development Corporation	1301974	11.25%	1301974	11.25%
Daisy Investment Pvt. Ltd.	769,229	6.64%	769,229	6.64%
Modi Industries Limited	700,000	6.05%	700,000	6.05%
Ashoka Mercantile Limited	1,822,162	15.74%	1,822,162	15.74%
Modi Intercontinental Pvt. Ltd.	3,785,277	32.70%	3,785,277	32.70%

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

	March 31, 2023		March 31, 2022	
	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%
Rakesh Kumar Modi	4,238	5.90%	4,238	5.90%

g. Arrears of Dividend on Redeemable Convertible Cumulative Preference Shares for the Period from 1st April, 1998 to 31st March, 2023 amounts to ₹ 251.50 lakhs, excluding Tax on Distributed Profits, if any.
NOTE 14 : NON CURRENT BORROWINGS

Particulars	As at	As at
	31 March, 2023	31 March, 2022
A. Secured		
a. Term Loan From		
i. Banks	-	-
ii. Banks - Vehicle Loan	-	-
iii. Corporate Bodies- Equipment Loans	-	-
iv. Corporate Bodies/Financial Institutions	-	-
B. Unsecured		
Loans from related parties*	725.15	725.15
Liability component of compound financial instruments	-	-
Other loans (specify nature);	-	-
Vehicle Loan	-	-
Total	725.15	725.15
b. Loan From Corporate Bodies	-	-
Total	725.15	725.15

NOTE 15 : OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	As at	As at
	31 March, 2023	31 March, 2022
Security Deposits Received against Houses	1,783.59	1,783.59
Security Deposit received from Others	63.48	63.48
Total	1,847.07	1,847.07

NOTE 16 : NON CURRENT PROVISIONS

Particulars	As at	As at
	31 March, 2023	31 March, 2022
Provision for employee benefits		
- Gratuity	6.44	6.44
- Leave Encashment	4.17	4.17
Total	10.61	10.61

NOTE 17 : OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at	As at
	31 March, 2023	31 March, 2022
Security Deposits		
Security Deposits Received against Property	211.96	211.96
Security Deposits Received against Sale of Plot	2.17	2.17
Advance Rent	12.98	12.98
Total	227.11	227.11

NOTE 18 : CURRENT BORROWINGS

Particulars	As at	As at
	31 March, 2023	31 March, 2022
Secured		
Loans repayable on demand-from PNB	183.90	183.90
From Bank Term loans-Vehicle Loan	-	-
From Related Party	157.13	157.13
Bank Overdraft	-	-
Unsecured-		
Related Party	3,322.09	3,291.03
Others: Liability on account of Preference shares	71.79	71.79
	3,734.91	3,703.85

- Cash Credit/WCDL from banks and loan from Ashoka Mercantile Limited, Modi Intercontinental Private Limited and Status Mark Finvest Limited are secured by charge by way of pari passu charge on immovable assets of the company.
- (a) Cash Credit/Working Capital Demand Loans (including interest Accrued and Due) taken from Punjab National Bank was out of order and classified by Bank as Non-Performing Assets since calendar year 2007. Also company has defaulted into the loan repayment amount of ₹ 65 Lakhs excluding interest. (Refer note 39)
- (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 and now current position is that all the loan of the banks are settled except the PNB OTS issue is pending before Delhi High Court for final decision along with other loans of secured & Unsecured Creditor.
- (c) Borrowings from related parties includes loan from Ashoka Mercantile Limited, Status Mark Finvest Ltd and Modi Intercontinental Private Limited.
 - During the FY 2020-21 the Company hasd taken waiver for interest on the loan amount from Ashoka Mercantile Limited and on the loan amount from Status Mark Finvest Ltd till 31st March 2024. However, the terms of repayment are yet to be entered into with the said parties.

NOTE 19 : TRADE PAYABLES

Particulars	As at	As at
	31 March, 2023	31 March, 2022
Sundry Creditors	6.28	5.57
Amount due to others	2,446.19	2,446.19
Total	2,452.47	2,451.76

NOTE 20 : OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at	As at
	31 March, 2023	31 March, 2022
Interest Accrued and due on Borrowings	129.76	129.76
Expense	8.38	8.38
Employees' dues	55.98	35.40
Dues to related parties	-	-
Other Payables	-	-
Total	194.13	173.54

NOTE 21 : OTHER CURRENT LIABILITIES

Particulars	As at	As at
	31 March, 2023	31 March, 2022
Sundry creditors - tax authorities	182.63	175.32
Other	353.22	353.22
Director sitting fees payable	2.36	1.82
Total	538.21	530.35

NOTE 22 : CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at	
	31 March, 2023	31 March, 2022
Provision for employee benefits		
- Gratuity	-	-
- Leave Encashment	-	-
Others		
Provision for Tax (Net of Advance Tax)	80.78	80.78
Others	5.00	5.00
Total	85.78	85.78

NOTE 23 : OTHER INCOME

Particulars	For the Year ended	
	31 March 2023	31 March 2022
Interest Received		
a. Loans	-	-
b. On Debentures	-	-
c. On Income Tax Refund	-	-
d. Others	-	-
Gain on foreign exchange fluctuation (net)	-	-
Dividend income	-	-
Miscellaneous income	-	-
Provision written back	-	3.98
Interest expense written back	-	-
Profit on sale of fixed assets	-	132.06
Profit on sale of shares	-	-
Lease Rent	-	0.01
Agriculture Income	-	-
Total	-	136.05

NOTE 24 : EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year ended	
	31 March 2023	31 March 2022
Salaries, wages, Allowances & Commission	25.00	23.00
Staff welfare expenses	-	-
Total	25.00	23.00

NOTE 25 : FINANCE COSTS

Particulars	For the Year ended	
	31 March 2023	31 March 2022
Interest on		
Others	-	-
Total	-	-

NOTE 26 : DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the Year ended	
	31 March 2023	31 March 2022
Depreciation of tangible assets	-	0.23
Amortization of intangible assets	-	-
Charged to Statement of Profit & Loss	-	0.23

NOTE 27 : OTHER EXPENSE

Particulars	For the Year ended	
	31 March 2023	31 March 2022
Repair and maintenance - Others	-	-
Fees, Rates and taxes	2.33	6.02
Insurance	-	-
Legal and professional	5.34	5.83
Travelling and conveyance	5.02	7.81
Printing and stationery	-	-
Postage, telegram and telephones	-	-

Security expenses	-	-
Interest Expense	-	0.02
Marketing Expenses	-	-
Miscellaneous expenses	6.49	9.07
Advertisement & publicity	0.18	0.57
Audit & Consultancy charges	3.49	3.49
Business Promotion	-	-
Bank Charges	0.28	-
Membership & Subscription Fees	-	1.79
Director's Sitting Fee	5.40	5.40
Vehicle Running and maintenance expenses	-	-
Retainership Charges	2.65	2.40
AGM Expenses	-	-
Interest and penalty on Statutory dues	4.71	4.27
Total	35.91	46.68

NOTE 28 : EXCEPTIONAL ITEM

Particulars	For the Year ended	
	31 March 2023	31 March 2022
OTS Revival Expense	-	-
Interest expense	-	-
Total	-	-

NOTE 29 : EARNINGS PER SHARE

Particulars	For the Year ended	
	31 March 2023	31 March 2022
Net profit/ (loss) as per Statement of Profit & Loss (for calculation of basic EPS)	-60.91	66.15
Dividend on OCPS/ Redeemable Preference Share	-	-
Net profit used in the calculation of Basic Earning per Share (as above)	-60.91	66.15
Net profit for calculation of diluted EPS	-60.91	66.15
Continuing operations		
Net profit for as per Statement of Profit & Loss (calculation of basic EPS)	-60.91	66.15
Net profit as above	-60.91	66.15
Net profit for calculation of diluted EPS	-60.91	66.15
Weighted average number of equity shares in calculating basic EPS	1,15,76,689	1,15,76,689
Effect of dilution:		
Weighted average number of equity shares in calculating diluted EPS	1,15,76,689	1,15,76,689
Basic earning per share	-0.53	0.57
Diluted earning per share*	-0.53	0.57

Note No. 30: 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, 2023.

Note No. 31: Sundry debtors, creditors, loans and advances are subject to confirmation.

Note No. 32: Payment to Auditors

Particular	Current Year	Previous Year
As Auditor		
- Audit Fees	3.78	3.78
- Other Matters	0.00	0.00
- Reimbursement of expenses	0.00	0.10

Note No. 33: Contingent Liabilities and Commitments (₹ in Lakhs)

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

Particulars	As at	
	31 March, 2021	31 March, 2022
(i) Income Tax (Refer note (a) below)	149.71	144.21
(ii) Sales Tax/ Excise/ Customs Duty (Refer note (b) below)	2815.54	2,815.54
(iii) Water Tax	7.11	7.11
(iv) Suppliers Interest on outstanding dues to GSFC (Refer note (c) below)	1,000.54	1,000.54
(v) Singhal Transport Vs. Modipon Limited & Ors. (Execution Petition)* (Refer Note (d) below)	178.17	178.17
(vi) Interest on PNB OTS (Refer Note (e) below)	-	-
(vii) Trade Payables(Civil Suit: 2009-10)	18.13	18.13
(viii) 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 Rs 816.93 lakhs raised earlier has been rectified by the Income Tax Department and reduced to Rs 217.55 lakhs. On an appeal filed by the company, Hon'ble Allahabad High Court had stayed recovery of demand (after rectification) of Rs 107.71 lakhs while the penalty of Rs. 93.67 lakhs 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 Rs 16.17 lakhs 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	109.84
	Penalty u/s 271(1)(c)	A.Y. 2004-05	15.34
		Prior Years to A.Y. 2016-17	2.98
	TDS Default	A.Y. 2016-17	0.34
		A.Y. 2017-18	0.43
		A.Y. 2018-19	2.50
		A.Y. 2020-21	5.21
		A.Y. 2020-21	3.75
		A.Y. 2021-22	3.82
		A.Y. 2022-23	1.66
AY 2023-24	3.84		

- (b) (i) 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	1991-92	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
			44.93
	Interest	1994-97	6.56
		Penalty	

- (b) (ii) There is a balance sales tax liability of Rs 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 Rs. 183.90 lakhs.

- (c) Suppliers Interest on outstanding dues (Gujarat State Fertilizers and Chemical Company Limited-GSFC) amounting to Rs 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 180 month period ended 31st March, 2023 is not ascertainable.

- (d) Singhal Transport filed a suite for recovery of Rs. 95.08 lakhs (comprising of the principal amount of Rs. 70 lakhs 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, 2019 amounts to Rs 178.17 lakhs (Rs 171 lakhs as on 31st march, 2018) 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 Rs 1710 lakhs (Net of upfront payment of Rs 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 Rs 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 Rs 1270 lakhs by March 31, 2016 and total interest on OTS payment @ 10.25% (simple) by June 30, 2016. The Company has paid Rs. 1270 lakhs upto December 31st, 2018 along with interest of Rs 2,59,62,100/-. The Company has already made provision of interest on account of delayed payment of OTS of Rs 94,43,358/- in their books upto 30th September 2018 and booked balance amount of interest in the quarter ending 31st December 2018. (Refer Note 39(b) and (c))

Note No. 34: 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. 35: 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. 36: The company has elected to exercise the options permitted under section 115BAA of the Income Tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. 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. 37: 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. 38: (a) Since the Net Book value of Land, Residential buildings at Modinagar, Office premises outside Modinagar and factory/ administrative building in Modinagar amounting to Rs. 230.88 lakhs, is lower than the Net Realisable Value as per Valuer's Report / Management's estimate, no provision for diminution is required to be made as at 31st March 2023.

(b) The company has sold 65,743 sq. yds. of its vacant land at Modinagar for Rs 1021.15 lakhs (original cost Rs 1.95 lakhs) which resulted in Profit on Sale of Land amounting to Rs.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. 39: (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 Rs.1710 lakhs (Net of upfront payment of Rs.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 Rs.630 lakhs up to March 31, 2015 and at the request of the Company, PNB 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 Rs.1270 lakhs by March

31, 2016 and total interest on OTS payment @ 10.25% (simple) by June 30, 2016. The Company has paid Rs. 1270 lakhs upto December 31st, 2018 along with interest of Rs 2,59,62,100/-. The company has already made provision of interest on account of delayed payment of OTS of Rs 94,43,358/- in their books upto 30th September 2018 and booked balance amount of interest in the quarter ending 31st December 2018.

The Punjab National Bank has initiated the proceeding against the company under section 7 of the Insolvency and Bankruptcy Code, 2016 before the NCLT, Allahabad Bench and other Proceeding before DRT-II and recovery Officer, DRT- II, New Delhi due to non-fulfillment of OTS Terms/conditions vide OTS letter dated July 02, 2015 issued by PNB.

The Debts Recovery Tribunal-II, Delhi passed its order dated 30 July, 2018, in favor of the Company and directed PNB to accept payment of Rs. 65 lakhs towards outstanding principal of OTS plus Rs. 2,59,62,100/- as interest @10.25% as per revived OTS vide its letter dated July 02, 2015 on delayed payment upto 15 March, 2018, which was later on accepted and paid by the company in terms of DRAT order.

During the pendency of the appeal, PNB has encashed the said amount of Rs. 65 Lacs towards principal OTS and Rs. 2,59,62,100/- towards interest in term of the order of Debts Recovery Appellate Tribunal (DRAT), New Delhi. Further, the DRAT has reserved the order on 27.12.2018 in the said matter and not pronounced till the date of our reporting, as a result the company has not considered any liability in its books in addition to the dues already settled as per DRT order dated 30th July, 2018.

During the pendency of order before DRAT, the PNB has revived OTS vide letter dated 25.03.2019 against payment of Rs. 459.62 lacs on the following terms & conditions:

- 1) The proceeds of FDRs amounting to Rs. 65 lakhs and Rs. 259.62 lakhs kept with us will be appropriated simultaneously on conveying approval of revival of OTS.
- 2) Rs. 135 lakhs will be deposited within one week of receipt of this sanction letter.
- 3) The party to undertake to pay commercial tax liability as demanded by the Commercial Tax Authority.
- 4) No Dues Certificate will be issued, Bank's charge on the security/tittle deeds will be released only after receipt of OTS amount in full and on clearance of commercial tax liability as stated above. (Satisfactory proof/letter from the competent authority in this regard to be submitted).

The Company has already deposited balance of OTS amount of Rs.65 lacs plus delayed period interest of Rs. 259.62 lacs with the bank in terms of DRT & DRAT orders and further Rs.135 lacs over and above original OTS amount has been deposited by the company in terms of revived OTS vide letter dated 25.03.2019 within one week of receipt of letter.

The IBC Petition filed by PNB referred above is lying pending before the Allahabad Bench due to the consideration of order of the DRT-II, Delhi dated 30.07.2018 with no dues remaining towards PNB and further stay of High Court on the order of DRAT and IBC Petition filed before NCLT Bench, Allahabad by PNB.

- (c) In respect of commercial tax liability, the Company has filed an appeal against the order of Commissioner of Commercial Tax before Hon'ble High Court of Allahabad through Punjab National Bank and the Court has directed vide order dated 26.11.2018 that the operation and effect of the impugned order dated 08.08.2018 passed by the Commercial Tax Tribunal, Ghaziabad in Appeal no. 1353 of 2013, shall remain stayed subject to the applicant depositing 50% of the commercial tax liability imposed on it and furnish security for the balance amount other than cash or bank guarantee to the satisfaction of the tribunal within a period of three weeks from the date of direction.

The company deposited Commercial Tax of Rs 54.94 lacs out of Commercial Tax liability of Rs 183.90 lacs along with interest of Rs 3.07 lacs for the period starting from 18.12.2018 to 02.05.2019 as on 03.05.2019 in compliance with order dated 26.11.2018 of the Hon'ble High Court of Allahabad and communicated the same to PNB vide letter dated 03.05.19

- (d) Further, PNB vide letter dated 04.05.2019 requested the company to submit No Dues Certificate from tax authorities after paying the commercial tax liability to bank for compliance of OTS Sanction within 3 days else OTS will be declared as failed. Since the company failed to reply to the same, PNB vide letter dated 04.07.2019 informed that the tax authorities have declared OTS revival as failed and PNB is resuming all recoveries as usual. Further, DRAT allowed appeal of PNB on 20.08.2019. The Company filed Writ Petition in the Delhi High Court against order of the DRAT. The Hon'ble Delhi High Court vide its order

dated 24.10.2019, stayed the DRAT and NCLT proceedings filed by the PNB till the next date of hearing which is listed on 19th February, 2020. On 19th February, 2020 interim order dated 24th October, 2019 was made absolute during the pendency of the writ petition. On the last date of hearing i.e., 29.03.2023, Counsel for the Bank seeks time again and granted four weeks' time to file and rejoiner if any, to be filed before the next date of hearing is 14.08.2023.

The outstanding liability in the books of the company is higher than the OTS amount by Rs. 183.90 lakhs and in the absence of any documentary evidences from the management as well as PNB, we are unable to quantify the amount of interest on the amount of Rs.183.90 lakhs; the amount of Rs.183.90 lakhs 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.

The above matter is subjudice before Hon'ble High Court of Allahabad for further hearing.

- (e) (i) Loan liability of Rs 749.20 lakhs to Karnataka Bank has been discharged by the company under OTS (one time settlement), in arrangement with Ashoka Mercantile Limited paying the settled sum of Rs 410 lakhs to the said bank. The settlement resulted into remission of liability by Rs 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 note 40(b) above, the amount of Rs 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).

Ashoka Mercantile Limited has waived interest for the FY 2021-22 and 2022-23 on loan repaid by Ashoka Mercantile Limited under the OTS deal.

- (ii) Loan liability of Rs 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 Rs 600 Lakhs to the said bank. The settlement resulted into remission of liability by Rs 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 note 40(b) above, the amount of Rs 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)".

Ashoka Mercantile Limited has waived interest for the FY 2021-22 and 2022-23 on loan repaid by Ashoka Mercantile Limited under the 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 Rs 882.29 lakhs and Rs 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.
- (f) (i) The Abu Dhabi Commercial Bank Limited has settled its Dues of Rs 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 Rs 157.13 lakhs (net of Rs 40 lakhs paid to AML upto March 31, 2011) is shown as secured loan in Note 18 and the balance amount of Rs 153.92 lakhs (Rs 351.05 lakhs - Rs 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.

Ashoka Mercantile Limited has waived interest for the FY 2021-22 and 2022-23 on loan repaid by Ashoka Mercantile Limited under the OTS deal.

Note No. 40: Disclosure of Related parties/ Related parties transactions :
(a) List of Related Parties and relationships (₹ in Lakhs)

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	
9. Modimangal Estates Pvt Ltd.	
1. Mr. Manish Modi- Chairman & Managing Director	Key Management Personnel
2. Mrs. Aditee Modi - Director	
3. Mr. Shashi Kan Ranjan - Independent Director	
4. Ms. Kavita Rani- Independent Director	
5. Mr. Shashi Kant Ranjan - Independent Director	
6. Mr. Nitesh Kumar- Independent Director	
7. Mr. Vineet Kumar Thareja - Company Secretary & CFO	

(b) Transactions during the year with related party

Particulars	Financial Year	Enterprise having significant Influence	Key Management Personnel	Total
i) Remuneration to KMP				
a) Manish K. Modi-MD	2022-23	-	-	-
	2021-22	-	-	-
b) Vineet Kumar Thareja- Company Secretary & CFO	2022-23	-	16.20	16.20
	2021-22	-	17.89	17.89
(ii) Loan Taken	2022-23	1.88	-	1.88
	2021-22	22.00	-	22.00
(iii) Loan Repaid	2022-23	-	-	-
	2021-22	-	-	-
(iv) Interest on Loan Due	2022-23	-	-	-
	2021-22	-	-	-
(v) Interest on Loan Paid	2022-23	-	-	-
	2021-22	118.85	-	118.85
(vi) Reimbursement Received	2022-23	-	-	-
	2021-22	-	-	-
(vii) Reimbursement Paid	2022-23	-	-	-
	2021-22	-	-	-
(viii) Advance Given	2022-23	-	-	-
	2021-22	-	-	-
(ix) Advance Adjusted	2022-23	29.18	-	29.18
	2021-22	39.49	-	39.49

(c) Details of transactions with related parties-

	Nature of transaction	For the year ended 31 March, 2023		For the year ended 31 March, 2022	
		(Amount Rs in Lakhs)	Percent-age (%)	(Amount Rs in Lakhs)	Percent-age (%)
i)	Director Remuneration				
	Manish Modi	-	-	-	-
ii)	Loan taken				
	Status Mark Finvest Ltd	1.88	100.00	22.00	100.00
iii)	Loan repaid				
	Modi Intercontinental Pvt Ltd	-	-	-	-
	Status Mark Finvest Ltd	-	-	-	-

	Nature of transaction	For the year ended 31 March, 2023		For the year ended 31 March, 2022	
		(Amount Rs in Lakhs)	Percent-age (%)	(Amount Rs in Lakhs)	Percent-age (%)
iv)	Reimbursements received				
	Ashoka Mercantile Limited (AML)	-	-	-	-
	Modi Industries Ltd	-	-	-	-
	Modimangal Estates Pvt Ltd	-	-	-	-
v)	Reimbursements Paid				
	Ashoka Mercantile Limited (AML)	-	-	-	-
	Modi Industries Ltd	-	-	-	-
	Modimangal Estates Pvt Ltd	-	-	-	-
vi)	Interest on loan Due				
	Ashoka Mercantile Limited (AML)	-	-	-	-
	Status Mark Finvest Ltd	-	-	-	-
vii)	Interest on Loan Paid				
	Ashoka Mercantile Limited (AML)	-	-	-	-
	Status Mark Finvest Ltd	-	-	118.85	100.00
viii)	Advance Given				
	Ashoka Mercantile Limited (AML)	-	-	-	-
ix)	Advance Adjusted				
	Ashoka Mercantile Limited (AML)	29.18	100.00	39.49	100.00

(d) Details of outstanding balance amount with related parties (₹ in Lakhs)

Name of the related party	Nature of relationship	Amount outstanding as on:	
		March 31, 2023	March 31, 2022
1. Ashoka Mercantile Limited (AML)	Enterprise having significant Influence	-1178.69	-1149.51
2. Modi Industries Limited (MIL)		-	-
3. Weld Excel India Limited (WEIL)		14.48	14.48
4. Modi Intercontinental Pvt. Ltd. (MIPL)		-163.76	-163.76
5. Modi Rubber Ltd.		44.16	44.16
6. Modi SPG & WVG Mills Co. Ltd		64.55	64.55
7. Modi Sugar Works		2.16	2.16
8. Status Mark Finvest Ltd		-1,956.22	-1,954.34
9. Modimangal Estates Pvt Ltd		0.10	0.10
10. Vineet Kumar Thareja		19.97	8.70

Note: Balance outstanding of Modi Mangal Estates was left out in PY.

* Ashoka Mercantile Limited has waived interest for the FY 2021-22 and 2022-23 on loan repaid by Ashoka Mercantile Limited under the OTS deal.

Note No. 41 : The Company has not been able to repay the loan as shown above given by Ashoka Mercantile Limited (AML), a related party. During the month of May 2011, the Company has given temporary physical possession with right of user of 59 residential houses owned by it at Modinagar to AML. Out of which possession of 13 houses has since been returned by AML.

Note No. 42: Figures of previous year have been re-grouped and re-arranged wherever found necessary.

Note No. 43: Figures have been rounded off to the nearest Lakh, except otherwise stated.

Note No. 44: The Company has adopted IND AS 116 W.e.f. 1st April 2019. IND AS 116 requires lessees to determine lease term as Non-cancellable period of lease adjusted with an option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes an assessment on the expected lease term on lease-by-lease basis and thereby assess whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term,

company consider factors such as any significant leasehold improvement undertaken over the lease term, costs relating to termination of the lease and importance of the underlying assets to company operations. The company do not have any applicable lease and has no impact on financial statement.

Note No. 45: Financial instruments by category (₹ in Lakhs)

	31 March 2023			31 March 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments	-	0.44	-	-	0.44	-
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	-	-	0.63	-	-	1.57
Bank Balances	-	-	4.04	-	-	4.04
Loans	-	-	-	-	-	-
Others	-	-	515.23	-	-	515.96
Total financial assets	-	0.44	519.90	-	0.44	521.57
Financial liabilities						
Borrowings	-	-	4,460.06	-	-	4,429.00
Trade payables	-	-	2,452.47	-	-	2,451.76
Other financial liabilities	-	-	2,042.17	-	-	2,021.51
Total financial liabilities	-	-	8,954.70	-	-	8,902.27

Note No. 46: Item Recognised as Fair Value (₹ in Lakhs)

Particulars	As at 31 March,2023 Fair value		
	Level 1	Level 2	Level 3
Financial assets			
Investment			
- Equity shares	0.09	0.35	
- Preference share		0.00	
- Debentures/ bonds		0.00	
Particulars	As at 31 March,2022 Fair value		
	Level 1	Level 2	Level 3
Financial assets			
Investment			
- Equity shares	0.09	0.35	
- Preference share		0.00	
- Debentures/ bonds		0.00	

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values: 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. 2) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation. 3) The fair values of derivatives are estimated by using pricing models, where the inputs to those models

are based on readily observable market parameters basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment. 4) IND AS 101 allow Company to fair value property, plant and machinery on transition to IND AS, the Company has fair valued property, plant and equipment, and the fair valuation is based on replacement cost approach. 5) Fair value of investments in equity shares of entities other than investment in subsidiary, associates & joint ventures is taken at cost as sufficient recent information is not available to measure the fair value and cost represents the best estimate of fair value within that range.

Note No. 47: FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The purpose of financial risk management is to ensure that the Company has adequate and effective utilized financing as regards the nature and scope of the business. The objective is to minimize the impact of such risks on the performance of the Company. The Company's senior management oversees the management of these risks.

The Company's principal financial liabilities comprise bank loans, trade payables and other liabilities. The main purpose of these financial instruments is to raise finance for operations. It has various financial assets such as loans, advances, cash which arise directly from its operation.

The main risk arising from the Company's financial instruments are market risk, credit risk, liquidity risk, and interest rate risk.

Market risk:

Market risk is the risk that the fair values of financial instruments will fluctuate because of change in market price. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Financial Instruments affected by market risk include loans and borrowings, investments and deposits. There is no currency risk since all operations are in INR. The Company managed interest rate risk by converting existing loans and borrowings with cheaper means of finance.

Credit risk:

It is the risk that one party to a financial instrument or customer contract will cause a financial loss due to non fulfillment of its obligations under a financial instrument or customer contract for the other party, leading to a finance loss.

Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Note No. 48: Disclosure of trade receivable

The Company does not have any trade receivables outstanding as at 31.03.2023 and 31.03.2022.

Note No. 49: Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximize the shareholder value. The company manages its capital structure and makes adjustment in the light of changes in economic environment and the requirement of financial covenants.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Particulars	31 March 2023	31 March 2022
Net Debt	4585.16	4,615.18
Equity	-9049.97	-9,055.21
Capital and net debt	-4,464.81	-4,440.03
Gearing ratio	-102.70%	-103.94%

Net Debt = Non-current borrowing + current borrowings + current maturities of non-current borrowings + interest accrued – cash and cash equivalents.

Note No. 50: Trade Payables AGEING SCHEDULE AS AT 31st March, 2023

Particulars	Outstanding for following periods from due date of payment 31st March 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1.73	0.27	0.19	2,450.27	2,452.47
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	1.73	0.27	0.19	2,450.27	2,452.47

Trade Payables AGEING SCHEDULE AS AT 31st March, 2022

Particulars	Outstanding for following periods from due date of payment 31st March 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1.29	0.19	(0.46)	2,450.73	2,451.76
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	1.29	0.19	(0.46)	2,450.73	2,451.76

Note No. 51: Ratios

S. No.	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
1	Current ratio	Current Assets	Current Liabilities	0.22	0.22	-0.10	-
2	Debt-equity ratio	Total debt	Total equity	3.85	3.83	0.70	-
3	Debt service coverage ratio	Earnings available for debt services	Total Intrest and principal repayments	Not Applicable	Not Applicable	-	-
4	Return on equity ratio	Profit after tax	Total equity	-5.26	5.71	-192.08	Due to Loss incurred during the year.
5	Inventory turnover ratio	Cost of materials consumed	Avg Inventory	Not Applicable	Not Applicable	-	-
6	Trade receivables turnover ratio	Credit Sales	Avg Trade receivable	Not Applicable	Not Applicable	-	-
7	Trade payables turnover ratio	Credit purchases	Closing Trade payable	Not Applicable	Not Applicable	-	-
8	Net capital turnover ratio	Sales	Net Working Capital	Not Applicable	Not Applicable	-	-
9	Net profit ratio	Profit after tax	Sales	Not Applicable	Not Applicable	-	-
10	Return on capital employed	EBIT	Capital Employed	Not Applicable	Not Applicable	-	-

Note No. 52: Impairment review

Assets are tested for impairment whenever there are any internal or external indicators of impairment.

Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment.

The impairment assessment is based on higher of value in use and value from sale calculations.

During the year, the testing did not result in any impairment in the carrying amount of goodwill and other assets.

The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid term market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount RATE
- Growth Rates
- Capital expenditures

Operating margins: Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, factors like higher churn, increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

Growth rates: The growth rates used are in line with the long term average growth rates of the respective industry and country in which the Company operates and are consistent with the forecasts included in the industry reports.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required.

Note No. 53: Post Reporting Events:

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

For B.M. Chatrath & CO LLP

Chartered Accountants
FRN: E300025

CA Sunil Kumar Jha
Partner
Membership No. : 543805

Place : New Delhi
Dated : May 29, 2023
UDIN: 23543805BGXTWU2401


For & on behalf of Board of Directors

(Manish Modi)
Managing Director
DIN 00030036

(Aditee Modi)
Director
DIN 00030120

(Vineet Kumar Thareja)
Company Secretary & CFO

If Undelivered, please return to:

modipon
limited 

Hapur Road,
Modinagar - 201 204