Modipon Limited

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

August 14, 2026

To,
The BSE Limited
Corporate Relation Department,
New Trading Ring, Rotunda Building,
P.J. Tower, Dalal Street, Fort, Mumbai – 400001

Ref: INE 170C01019
Scrip Code: 503776

Sub: Outcome of Board Meeting held on August 14, 2026 – Integrated Filing (Financial Results)

Dear Sirs,

The Board of Directors of Modipon Limited (the Company) in its meeting held today i.e. Friday, August 14, 2026, approved and adopted the unaudited financial results of the Company for the quarter ended June 30, 2026. The financial results under regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are enclosed as **Annexure A**. The Limited Review Report on the aforesaid financial results of the Company is enclosed as **Annexure B**.

The above shall also be made available on the website of the Company at https://modipon.net/.

Further, pursuant to SEBI Master Circular HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026 read with relevant circulars issued by stock exchanges in this regard, the following disclosure is being made:

A. Financial Results – Enclosed
B. Statement on deviation or variation for proceeds of public issue, rights issue, preferential issue, qualified institutions placement etc. - Not Applicable
C. Disclosure of outstanding default on loans and debt securities – Not Applicable
D. Disclosure of related party transactions (applicable only for half-yearly filings i.e., 2nd and 4th quarter) - Not Applicable
E. Statement on impact of audit qualifications (for audit report with modified opinion) submitted alongwith annual audited financial results (applicable only for annual filing i.e., 4th quarter) - Not Applicable

The meeting of Board of Directors commenced at 3:30 P.M and concluded at 4:00 P.M.

We request you to take note of the same.

Thanking you
Yours sincerely,
For Modipon Limited

VINEET KUMAR THAREJA
Digitally signed by VINEET KUMAR THAREJA
Date: 2026.08.14 16:02:24 +05'30'

Vineet Kumar Thareja
Chief Compliance Officer, Chief Financial Officer & Company Secretary

MODIPON LIMITED

Statement of Assets and Liabilities as at June 30, 2026

(Rs in Lacs)

Particulars	Note	UnAudited As at 30-Jun-26 Lacs/Rs.	Audited As at 31-Mar-26 Lacs/Rs.
ASSETS			
Non - current assets			
(a) Property, plant and equipment		-	-
(b) Other intangible assets		-	-
(c) Capital work - in - progress		1.73	1.73
(d) Investment Property		-	-
(c) Financial assets			
(i) Investments		0.44	0.44
(ii) Trade receivables		-	-
(ii) Loans		83.12	83.12
(v) Others		-	-
(d) Deferred tax assets (net)		-	-
(g) Other non - current assets		72.98	72.98
		158.27	158.27
Current **assets**			
(a) Inventories			
(b) Financial assets			
(i) Trade receivables		0.59	0.59
(ii) Cash and cash equivalents		5.25	5.00
(iii) Bank Balances		-	-
(iv) Loans		514.52	512.52
(v) Others		0.32	0.32
(c) Current tax assets (net)		87.96	87.96
(d) Other current assets			
		608.64	606.39
Total **Assets**		766.91	764.66
EQUITY **AND LIABILITIES**			
EQUITY			
(a) Equity share capital		1157.67	1157.67
(b) Other equity		-10396.66	-10383.23
		-9238.99	-9225.56
LIABILITIES			
Non **- current liabilities**			
(a) Financial liabilities			
(i) Borrowings		725.15	725.15
(ii) Trade payables			
(iii) Other financial liabilities		1847.07	1847.07
(b) Provisions		10.61	10.61
(c) Other non-current liabilities		227.11	227.11
		2809.95	2809.95
Current **liabilities**			
(a) Financial liabilities			
(i) Borrowings		3875.55	3859.88
(ii) Trade payables		2450.86	2451.03
(iii) Other financial liabilities		229.12	229.73
(b) Other current liabilities		554.63	553.85
(c) Provisions		85.78	85.78
		7195.94	7180.27
Total **Equity & Liabilities**		766.91	764.66

The Accompanying notes are an integral part of Financial Statements

For Vasu Bansal & Co.
CHARTERED ACCOUNTANTS
FRN: 034332C

VASU BANSAL & CO
CHARTERED ACCOUNTANT
FRN:034332C
Vasu Bansal
VASU BANSAL
PROPRIETOR, M.NO 467032

CA Vasu Bansal
Membership No.: 467032
Place: Noida
Date: August 14, 2026

For and on behalf of Board of Directors

Manish Modi
Chairman & Managing Director
DIN: 00030036

MODIPON LIMITED

Statement of Profit and Loss for the quarter ended June 30, 2026

(Rs. In Lacs)

	Particulars	Note	For the Quarter ended			For the year ended	
			30-Jun-2026	30-Jun-25	31-Mar-26	31-Mar-26	31-Mar-25
			Unaudited	Unaudited	Audited	Audited	Audited
I	Revenue from operations		-		-	-	-
II	Other income		-	0.00	-	-	4.82
III	**Total income (I + II)**		-	-	-	-	4.82
IV	Expenses:						
	Employee benefits expenses		9.00	4.00	9.00	27.00	28.49
	Finance costs		-		-		-
	Depreciation and amortization expenses		-	0.00	-	-	-
	Other expenses		4.42	5.04	6.94	24.05	42.49
	Total expenses (IV)		13.42	9.04	15.94	51.05	70.98
V	**Profit / (loss) before exceptional items and tax (III - IV)**		(13.42)	(9.04)	(15.94)	-51.05	(66.16)
VI	Exceptional items				-	-	-
VII	**Profit / (loss) before tax (V - VI)**		(13.42)	(9.04)	(15.94)	-51.05	(66.16)
VIII	Tax expense						
	(1) Current tax		-	-	-	-	-
	(2) Deferred tax		-	-	-	-	-
	(3) Income tax pertaining to earlier years		-	-	-	-	-
	(4) MAT Credit		-	-	-	-	-
			-	-	-	-	-
IX	**Profit / (loss) from continuing operations (VII - VIII)**		(13.42)	(9.04)	(15.94)	-51.05	(66.16)
X	Profit / (loss) from discontinued operations		-	-	-	-	-
XI	Tax expense of discontinued operations		-	-	-	-	-
XII	**Profit / (loss) from discontinued operations (after tax) (X - XI)**		(13.42)	(9.04)	(15.94)	-51.05	(66.16)
XIII	**Profit / (loss) for the period (IX + XII)**		(13.42)	(9.04)	(15.94)	-51.05	(66.16)
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 reclassfied to profit or loss		-	-	-	-	-
	B (i) Items that will be reclassified to profit or loss		-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-	-
			-	-	-	-	-
XV	**Total comprehensive income for the period (XIII + XIV)**		(13.42)	(9.04)	(15.94)	-51.05	(66.16)
XVI	**Earnings per equity share (for continuing operations)**						
	(1) Basic (Rs)		(0.12)	(0.08)	(0.14)	-0.44	(0.57)
	(2) Diluted (Rs)		(0.12)	(0.08)	(0.14)	-0.44	(0.57)
XVIII	**Earnings per equity share (for discontinued & continuing operations)**						
	(1) Basic (Rs)		(0.12)	(0.08)	(0.14)	-0.44	(0.57)
	(2) Diluted (Rs)		(0.12)	(0.08)	(0.14)	-0.44	(0.57)

For Vasu Bansal & Co.
CHARTERED ACCOUNTANTS
FRN: 034332C

VASU BANSAL & CO
CHARTERED ACCOUNTANT
FRN:034332C

Vasu Bansal

VASU BANSAL
PROPRIETOR, M.NO 467032

CA Vasu Bansal
Membership No.: 467032
Place: Noida
Date: August 14, 2026

For and on behalf of Board of Directors

Manish Modi
Chairman & Managing Director
DIN: 00030036

MODIPON LIMITED

Cash Flow Statement for the Quarter ended 30th June 2026

Particulars		For the Quarter ended on 31-June-26	For the year ended on 31-Mar-26
A. Cash Flow from operating activities			
Net Profit before tax		(13.42)	(51.05)
Adjustments for :			
Depreciation (Net)		-	-
Exceptional Item		-	-
(Profit)/Loss on sale of Fixed Assets		-	-
Interest Received		-	-
Interest Expenses		-	-
Prior Period Error		-	-
Miscellaneous Income		-	-
Operation profit before working capital changes		**(13.42)**	**(51.05)**
Working Capital Adjustment:			
Increase/(Decrease) in Financial Assets (others)		(2.00)	1.13
Increase/(Decrease) in Current Tax Asset		-	-
Increase/(Decrease) in Other current assets		-	-
Increase/(Decrease) in Borrowings		15.67	75.67
Increase/(Decrease) in Trade payables		(0.17)	(0.03)
Increase/(Decrease) in Other financial liabilities		(0.61)	(26.59)
Increase/(Decrease) in Other current liabilities		0.78	1.89
Increase/ (Decrease) in Provisions		-	-
Net Cash generated from operations		**0.25**	**1.01**
Direct taxes paid			
Net cash from operating activities	**(A)**	**0.25**	1.01
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)		**0.25**	**1.01**
Cash and Cash equivalents as at 01.04.2026 (Opening Balance)		5.59	4.59
Cash and Cash equivalents as at 30.06.2026 (Closing balance)		5.84	**5.59**

For Vasu Bansal & Co.
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FRN: 034332C

VASU BANSAL & CO
CHARTERED ACCOUNTANT
FRN:034332C

Vasu Bansal

VASU BANSAL
PROPRIETOR, M.NO 467032

CA Vasu Bansal
Membership No.: 467032
Place: Noida
Date: August 14, 2026

For and on behalf of Board of Directors

Manish Modi
Chairman & Managing Director
DIN: 00030036

MODIPON LIMITED

Notes

1. The above financial results have been reviewed by the audit committee and approved by the Board of Directors at its meeting held on August 14, 2026 and the same have been reviewed by the statutory auditors of the Company.

2. The preparation of the above financial results is in accordance with Indian Accounting Standard, as prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.

3. The Company discontinued its manufacturing operations permanently w.e.f. May 19, 2007 and all movable assets were disposed of during the year 2009-10.

4. 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.

5. (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 June 30, 2026 has not been ascertained.

6. The amount of interest to be provided for in the books of account, if any, for the period April 1, 2007 to June 30, 2026 to Small and Micro Enterprise has not been ascertained.

7. During the year ended March 31, 2009, the Company has sold 65,743 sq. yds of its vacant land at Modi Nagar for Rs. 1021.15 Lakhs (original cost Rs. 1.95 Lakhs) for which the approval of bank is pending.

8. 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. 1,125.57 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.

9. 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 instalments 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

VASU BANSAL & CO
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02, 2015 requiring the Company to make payment of residual OTS amount of Rs. 1270 lakhs by March 31, 2016 and total interest payment @ 10.25% (simple) by June 30, 2016. The Company has paid Rs. 1270 lakhs up to December 31, 2018 along with interest of Rs 259.62 lakhs. The Company has already made provision of interest on account of delayed payment of OTS of Rs 94.43 lakhs in their books up to September 30, 2018 and booked balance amount of interest in the quarter ending December 31, 2018.

10. (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-fulfilment 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 July 30, 2018, has been passed in favour of the Company and directed PNB to accept Rs. 65 lakhs as outstanding principal of OTS plus Rs 259.62 lakhs as interest @10.25% as per revived OTS vide its letter dated July 02, 2015 on delayed payment up to 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 Lakhs towards principal OTS and Rs 259.62 lakhs 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 July 30, 2018.

During the pendency of order before DRAT, the PNB has revived OTS vide letter dated March 25, 2019 against payment of Rs. 459.62 lakhs on the following terms & conditions:

Terms & conditions:

i) 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.

ii) Rs. 135 lakhs will be deposited within one week of receipt of this sanction letter.

iii) The party to undertake to pay commercial tax liability as demanded by the Commercial Tax Authority.

iv) 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 lakhs plus delayed period interest of Rs. 259.62 lakhs with the bank in terms of DRT & DRAT orders and further Rs. 135 lakhs over and above original OTS amount deposited by the Company in terms of revived OTS vide letter dated March 25, 2019 within one week of receipt of letter. Further PNB vide letter dated April 02, 2019 acknowledged the payment under revived OTS vide letter dated March 25, 2019 for Rs. 459.62 lakhs.

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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 November 26, 2018 that the operation and effect of the impugned order dated August 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 lakhs out of Commercial Tax liability of Rs. 183.90 lakhs along with interest of Rs. 3.07 lakhs for the period starting from December 18, 2018 to May 02, 2019 as on May 03, 2019 in compliance with order dated November 26, 2018 of the Hon'ble High Court of Allahabad and communicated the same to PNB vide letter dated May 03, 2019.

Further, PNB vide letter dated May 04, 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 July 04, 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 August 20, 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 October 24, 2019, stayed the DRAT and NCLT proceedings filed by the PNB till the next date of hearing which was listed on February 19, 2020. On February 19, 2020 interim order dated October 24, 2019 was made absolute during the pendency of the writ petition. The next date of hearing in this matter is October 05, 2026. Further, NCLT matter has been dismissed on the last date of hearing i.e. September 22, 2023 due to non-appearance on behalf of financial creditor (PNB), the matter has been dismissed for non-prosecution.

(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 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 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 sub-judice before Hon'ble High Court of Allahabad for further hearing.

11. 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

    (a) Amount of central excise duty of Rs. 44.93 lakhs
    (b) Amount of interest of Rs. 6.56 lakhs
    (c) Amount of penalty of Rs. 6.56 lakhs for the period from 1994 to 1997.

The Company has not made provision of the said amount & further interest thereon in its books till June 30, 2026 due to which profit is understated by Rs. 58.05 lakhs plus interest.

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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.

12. (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 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.

13. The Company has 15% redeemable cumulative preference shares of Rs 100 each. Preference share due for redemption since March 31, 1996.

14. Figures for the previous period have been regrouped, wherever necessary to confirm to the current period's classification.

15. The above financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make financial statement of figures contain therein misleading.

VASU BANSAL & CO
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Place: New Delhi
Date: August 14, 2026

For and on behalf of the board

Manish Modi
Chairman & Managing Director
DIN: 00030036

Vasu Bansal & CO
Chartered Accountants
FRN: 034332C

Email: cabansalvasu@gmail.com
Mobile: +91 9971677745

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Modipon Limited

Report on the Review of the Financial Results

1. We have reviewed the accompanying statement of standalone unaudited financial results of Modipon Limited ('the Company'), for the quarter ended 30th June 2026 ('the statement'), attached herewith, being submitted by the company pursuant to requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. The preparation of the statement is in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("IND AS 34"), specified under Section 133 of the Companies Act, 2013 read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and SEBI circular no. CIR/CFD/FAC/62/2016 dated 5th July 2016 is the responsibility of the Company's Management and has been approved by the Board of Directors of the company; Our responsibility is to express a conclusion on the statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as per paragraph 3 above and subject to note number 4 to 15 of accompanying statement of unaudited financial results which has been reproduced below, nothing has come to our attention that cause us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("IND AS 34"), specified under Section 133 of the Companies Act, 2013 read with, relevant rules issued thereunder and other recognize accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), including the manner in which it is to be disclosed, or that it contains any material misstatements.

5. 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.

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Email: cabansalvasu@gmail.com
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6. (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 30th June 2026 has not been ascertained.

7. The amount of interest to be provided for in the books of account, if any, for the period April 1, 2007 to 30th June 2026 to Small and Micro Enterprise has not been ascertained.

8. 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.

9. 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.

10. 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.

11. (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. 259.62 lakhs as interest @10.25% as per revived OTS vide its letter dated July 02, 2015 on delayed payment up to 15 March, 2018 which was later on accepted and paid by the company in terms of the DRAT order.

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During the pendency of the appeal, PNB has encashed the said amount of Rs. 65 Lakhs towards principal OTS and Rs. 259.62 Lakhs 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 lakhs on the following terms & conditions:

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 lakhs plus delayed period interest of Rs. 259.62 lakhs with the bank in terms of DRT & DRAT orders and further Rs. 135 lakhs 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 lakhs out of Commercial Tax liability of Rs 183.90 lakhs along with interest of Rs 3.07 lakhs 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. PNB vide letter dated 04.07.2019 informed the company and declared OTS revival as failed and PNB is resuming all recoveries as usual. Further, DRAT allowed appeal of PNB

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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. The next date of hearing in this matter is 05th October,2026. Further, NCLT matter has been dismissed on the last date of hearing (22.09.2023) due to non-appearance on behalf of financial creditor (PNB), the matter has been dismissed for non-prosecution.

(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.

12. 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

a. Amount of central excise duty of Rs. 44.93 lakhs

b. Amount of interest of Rs. 6.56 lakhs

c. Amount of penalty of Rs. 6.56 lakhs
for the period from 1994 to 1997

The company has not made provision of the said amount & further interest thereon in its books till 30th June 2026 due to which profit is understated by Rs. 58.05 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.

13. (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.

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(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.

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

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CA. Vasu Bansal
Partner
Membership No.467032

Place: Noida
Date: 14th August, 2026
UDIN: **26467032DOMRVM9686**