# Modipon Limited

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

May 30, 2025

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 May 30, 2025 – Integrated Filing (Financial Results)**

Dear Sirs,

The Board of Directors of Modipon Limited (the Company) in its meeting held today i.e. Friday, May 30, 2025, considered and approved the audited financial results of the Company for the quarter and year ended March 31, 2025.

In this regard, please find enclosed herewith the following:

1. Audited financial results of the Company for the quarter and year ended March 31, 2025 enclosed as **Annexure A**.
2. The Auditor's Report on the aforesaid financial results of the Company enclosed as **Annexure B**.
3. Declaration with respect to Audit Report on Impact of Audit Qualification for Audit report with modified opinion is enclosed as **Annexure C**.

Further, pursuant to SEBI Circular SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024 read with Circulars No. 20250102-4 issued by BSE Limited, 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) – *will be filed along with XBRL for financial results.*
E. Statement on impact of audit qualifications (for audit report with modified opinion) submitted along-with annual audited financial results (applicable only for annual filing i.e., 4th quarter) – *Enclosed*

The meeting of Board of Directors commenced at 3:30 P.M and concluded at 5:30 P.M.

# Modipon Limited

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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: 2025.05.30 18:03:29 +05'30'

**Vineet Kumar Thareja**
**Company Secretary & Compliance Officer**

**MODIPON LIMITED**

**Statement of Assets and Liabilities as at 31st March 2025**

(Rs In Lacs)

| Particulars | Note | Audited As at 31-Mar-25 Lacs/Rs. | Audited As at 31-Mar-24 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 | | | |
| (ii) Cash and cash equivalents | | 0.56 | 1.28 |
| (iii) Bank Balances | | 4.04 | 4.04 |
| (iv) Loans | | - | - |
| (v) Others | | 513.65 | 513.82 |
| (c) Current tax assets (net) | | 0.32 | 0.32 |
| (d) Other current assets | | 87.96 | 87.96 |
| | | 606.52 | 607.42 |
| **Total Assets** | | 764.79 | 765.68 |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| (a) Equity share capital | | 1157.67 | 1157.67 |
| (b) Other equity | | -10332.17 | -10266.02 |
| | | -9174.50 | -9108.35 |
| **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 | | 3784.21 | 3756.01 |
| (ii) Trade payables | | 2451.07 | 2450.46 |
| (iii) Other financial liabilities | | 256.32 | 227.50 |
| (b) Other current liabilities | | 551.97 | 544.34 |
| (c) Provisions | | 85.78 | 85.78 |
| | | 7129.34 | 7064.07 |
| **Total Equity & Liabilities** | | 764.79 | 765.68 |

For and on behalf of Board of Directors

Manish Modi
Chairman & Managing Director

Date: May 30, 2025
Place: New Delhi

B M Chatrath & Co. LLP
Noida
Chartered Accountants

**MODIPON LIMITED**

**Extract of Standalone Audited Financials Results for the Quarter and Year ended 31st March 2025**

(Rs. In Lacs)

| | Particulars | For the Quarter ended | | | For the year ended | |
|---|---|---|---|---|---|---|
| | | 31-Mar-25 | 31-Mar-24 | 31-Dec-24 | 31-Mar-25 | 31-Mar-24 |
| | | Audited | Audited | Unaudited | Audited | Audited |
| I | Revenue from operations | - | - | - | | |
| II | Other income | 4.76 | - | 0.06 | 4.82 | 0.03 |
| III | **Total income (I + II)** | **4.76** | **-** | **0.06** | **4.82** | **0.03** |
| IV | Expenses: | | | | | |
| | Employee benefits expenses | 7.67 | 7.75 | 6.25 | 28.47 | 25.00 |
| | Finance costs | - | - | | | |
| | Depreciation and amortization expenses | - | - | | | |
| | Other expenses | 8.02 | 11.73 | 11.67 | 42.56 | 33.40 |
| | **Total expenses (IV)** | **15.69** | **19.48** | **17.92** | **70.98** | **58.40** |
| V | **Profit / (loss) before exceptional items and tax (III - IV)** | (10.93) | (19.48) | (17.86) | (66.16) | (58.38) |
| VI | Exceptional items | | | | - | |
| VII | **Profit / (loss) before tax (V - VI)** | (10.93) | (19.48) | (17.86) | (66.16) | (58.38) |
| 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)** | (10.93) | (19.48) | (17.86) | (66.16) | (58.38) |
| X | Profit / (loss) from discontinued operations | | | | - | |
| XI | Tax expense of discontinued operations | | | | - | |
| XII | **Profit / (loss) from discontinued operations (after tax) (X - XI)** | (10.93) | (19.48) | (17.86) | (66.16) | (58.38) |
| XIII | **Profit / (loss) for the period (IX + XII)** | (10.93) | (19.48) | (17.86) | (66.16) | (58.38) |
| 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)** | (10.93) | (19.48) | (17.86) | (66.16) | (58.38) |
| XVI | **Earnings per equity share (for continuing operations)** | | | | | |
| | (1) Basic (Rs) | (0.09) | (0.17) | (0.15) | (0.57) | (0.50) |
| | (2) Diluted(Rs) | (0.09) | (0.17) | (0.15) | (0.57) | (0.50) |
| XVIII | **Earnings per equity share (for discontinued & continuing operations)** | | | | | |
| | (1) Basic (Rs) | (0.09) | (0.17) | (0.15) | (0.57) | (0.50) |
| | (2) Diluted(Rs) | (0.09) | (0.17) | (0.15) | (0.57) | (0.50) |

**For and on behalf of Board of Directors**

**Manish Modi**
**Chairman & Managing Director**

Date : May 30, 2025
Place : New Delhi

B M Chatrath & Co. LLP Noida Chartered Accountants

**MODIPON LIMITED**

**Cash Flow Statement for the Year ended 31st March 2025**

| Particulars | | For the year ended on 31-Mar-25 | For the year ended on 31-Mar-24 |
|---|---|---|---|
| **A. Cash Flow from operating activities** | | | |
| Net Profit before tax | | (66.16) | (58.38) |
| **Adjustments for :** | | | |
| Depreciation (Net) | | - | - |
| Exceptional Item | | - | - |
| (Profit)/Loss on sale of Fixed Assets | | - | - |
| Interest Received | | - | - |
| Interest Expenses | | - | - |
| Prior Period Error | | - | - |
| Miscellaneous Income | | 4.76 | 0.03 |
| Operation profit before working capital changes | | **(61.40)** | **(58.35)** |
| **Working Capital Adjustment:** | | | |
| Increase/(Decrease) in Financial Assets (others) | | 0.17 | 1.41 |
| Increase/(Decrease) in Current Tax Asset | | - | - |
| Increase/(Decrease) in Other current assets | | - | - |
| Increase/(Decrease) in Borrowings | | 28.20 | 21.11 |
| Increase/(Decrease) in Trade payables | | 0.61 | (2.01) |
| Increase/(Decrease) in Other financial liabilities | | 28.82 | 32.40 |
| Increase/(Decrease) in Other current liabilities | | 7.63 | 6.13 |
| Increase/ (Decrease) in Provisions | | - | - |
| **Net Cash generated from operations** | | **4.03** | **0.58** |
| Direct taxes paid | | | |
| **Net cash from operating activities** | **( A )** | **4.03** | **0.58** |
| **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 | | (4.76) | (0.03) |
| **Net cash used in investing activities** | **( B )** | **(4.76)** | **(0.03)** |
| **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)** | | **(0.73)** | **0.65** |
| Cash and Cash equivalents as at 01.04.2024 (Opening Balance) | | 5.32 | 4.67 |
| **Cash and Cash equivalents as at 31.03.2025 (Closing balance)** | | **4.59** | **5.32** |

**For and on behalf of Board of Directors**




**Date:** May 30, 2025
**Place:** New Delhi

**Manish Modi**
**Chairman & Managing Director**

## Notes

1. The above audited standalone financial results for the quarter and year ended 31st March 2025 have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors (Board) of Modipon Limited ("the Company") at their respective meetings held on May 30, 2025.

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. 19th May 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 31st March, 2025 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 31st March, 2025 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 Modi Nagar, 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

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repay the loans taken from AML and most of the houses were re-possessed during the year.

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 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 up to December 31st, 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 30th September 2018 and booked balance amount of interest in the quarter ending 31st December 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 30 July, 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 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:

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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. Further PNB vide letter dated 02.04.2019 acknowledged the payment under revived OTS vide letter dated 25.03.2019 for Rs. 459.62 lakhs.

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. 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. The next date of hearing in




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the matter is 20.08.2025. Further, NCLT matter has been dismissed on 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 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 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 31st March, 2025 due to which profit is understated by Rs. 58.05 lakhs 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.

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 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.

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

16 Previous period figures have been regrouped/ reclassified, wherever necessary, to make them comparable. The figures for the quarter ended 31st March 2025 and 31st March 2024 are the balancing figures between the audited figures in respect of the full financial year and the reviewed year-to-date figures up to the third quarter of the financial year.

**For and on behalf of the board**

B U Chaturvedi & Co. LLP Noida Chartered Accountants

**Manish Modi**
**Chairman & Managing Director**

**Place: New Delhi**
**Date: May 30, 2025**

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**B M CHATRATH & CO LLP**
Chartered Accountants
**LLPIN : AAJ-0682**

Noida : D-26, 2nd Floor, Sector-3
Noida - 201 301(U.P.), India
Tel.: +91-120-4593361 Mobile : +91 9810261801
E-mail : umeshpandey@bmchatrath.com
Web.: www.bmchatrath.com

## INDEPENDENT AUDITORS REPORT ON THE QUARTERLY AND YEAR TO DATE AUDITED STANDALONE FINANCIAL RESULTS OF MODIPON LIMITED PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED

**TO THE BOARD OF DIRECTORS OF MODIPON LIMITED**

**Report on the Audit of Standalone Financial Results**

**Qualified Opinion**

We have audited the accompanying statement of standalone financial results of Modipon Limited ("the Company") for the quarter ended 31st March, 2025 and for the year ended 31st March, 2025 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (" Listing Regulations").

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 financial statements:

(a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
(b) give a true and fair view in conformity with the the recognition and measurement principles laid down in the applicable Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India of the net loss and other comprehensive loss and other financial information for the quarter ended 31st March, 2025 and for year ended 31St March, 2025.

**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. (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, 2025 has not been ascertained.

III. The amount of interest to be provided for in the books of account, if any, for the period April 1, 2007 to March 31st,2025 to Small and Micro Enterprise has not been ascertained.

IV. 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.

V. During the year 2011-12, the Company has given physical possession of its vacant 59 (46 as on March 31, 2015) houses located at Modi Nagar, 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 and most of the houses were repossessed during the year.

VI. 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 up to 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 up to 30th September 2018 and booked balance amount of interest in the quarter ending 31st December 2018.

VII. (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 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 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:

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 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'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 was 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 the matter is 20.08.2025. Further, NCLT matter has been dismissed on 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 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.

VIII. 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. 44,92,663/-
(b) Amount of interest of Rs. 6,56,116/-
(c) 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, 2025, due to which profit is understated by Rs. 66,16,146.19 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.

IX. (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.

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

X. 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 in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended (the Act). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Results' 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 together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Management's and Board of Director's Responsibilities for the Standalone Financial Results**

The Statement, which includes the Standalone Financial Results is the responsibility of the Board of Directors and has been approved by it for the issuance. The Statement has been prepared on the basis of the annual standalone financial statements for the year ended 31st March, 2025. The Company's management and the Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Management and Board of Directors of the Company are also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement 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 standalone financial results.

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 Statement, 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 Act, we are also responsible for expressing our opinion on whether a separate report on the complete set of standalone financial statements on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 results 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 standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- 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.

The Statement includes the results for the quarter ended 31st March, 2025 and 31st March 2024 being the balancing figure between the audited figures in respect of the full financial year ended 31st March, 2025 and 31st March 2024 and the published un-audited year to date figures up to the third quarter of the respective financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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

B.M. Chatrath & Co. LLP Noida Chartered Accountants

**CA. Sunil Kumar Jha**
Partner
Membership No.543805
UDIN: **25543805BMJRGD2613**
Place: New Delhi
Date:30th May,2025

**B M CHATRATH & CO LLP**
Chartered Accountants
**LLPIN : AAJ-0682**

Noida : D-26, 2nd Floor, Sector-3
Noida - 201 301(U.P.), India
Tel.: +91-120-4593361 Mobile : +91 9810261801
E-mail : umeshpandey@bmchatrath.com
Web.: www.bmchatrath.com

**Statement on Impact of Audit Qualifications (for Audit Report with Modified Opinion) submitted along-with Annual Standalone Audited Financial Results**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2025**
**[Under Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

| | Sl. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) (In Lacs) | Adjusted Figures (audited figures after adjusting for qualifications) (In Lacs) |
|---|---|---|---|---|
| I. | 1 | Turnover / Total Income | 4.82 | 4.82 |
| | 2 | Total Expenditure | 70.98 | 141.96 |
| | 3 | Net Profit/ (Loss) | (66.16) | (132.32) |
| | 4 | Earnings Per Share | (0.57) | (1.14) |
| | 5 | Total Assets | 764.79 | 764.79 |
| | 6 | Total Liabilities | 9939.29 | 9939.29 |
| | 7 | Net Worth | (9174.50) | (9174.50) |
| | 8 | Any other financial item(s) (as felt appropriate by the management) | - | - |
| II. | | **Audit Qualification (each audit qualification separately):** | | |
| | | a. Details of Audit Qualification: **As per Annexure – I attached.** | | |
| | | b. **Type of Audit Qualification:** Qualified Opinion ~~/ Disclaimer of Opinion / Adverse Opinion –~~ **As per Annexure – I Attached.** | | |
| | | c. **Frequency of qualification:** ~~Whether appeared first time~~ / repetitive / ~~since how long continuing~~ **As per Annexure – I Attached.** | | |
| | | d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: **As per Annexure – I Attached.** | | |
| | | e. For Audit Qualification(s) where the impact is not quantified by the auditor: **As per Annexure – I Attached** | | |
| | | (i) Management's estimation on the impact of audit qualification: **As Per Annexure – I Attached** | | |
| | | (ii) If management is unable to estimate the impact, reasons for the same: **As per Annexure – I Attached.** | | |

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| | | |
|---|---|---|
| | (iii) Auditors' Comments on (i) or (ii) above: **As per Annexure – I Attached.** | |
| III. | Signatories | |
| | ~~CEO~~/Managing Director | |
| | CFO | |
| | Audit Committee Chairman | |
| | Statutory Auditor | |
| | Place: New Delhi | |
| | Date: May 30, 2025 | |

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**MODIPON LIMITED**

**ANNEXURE I**

| Sl. No. | Audit Qualification | Frequency of Qualification i.e. since | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report |
|---|---|---|---|
| 1 | (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,<br>and<br>(b) the amount of interest to be provided for in the books of account for the period April 1, 2008 to March 31, 2025 has not been ascertained. | 2006-07 | Company is in negotiation with the supplier for one-time settlement of its dues and the matter is progressing well and management is confident that the settlement of dues with the supplier below the principal amount may take place in the near future and consequently, there is no need to provide for the interest liability at this stage. |
| 2 | The amount of interest to be provided for in the books of account, if any, for the period April 1, 2007 to March 31, 2025 to Small and Micro Enterprise has not been ascertained. | 2007-09 | In view of the closure of manufacturing operations, this information is not available. |
| 3 | During the year ended March 31, 2009, the Company has sold 65, 743sq.yds. of its vacant land at | 2007-09 | Settlement of dues of |

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| Sl. No. | Audit Qualification | Frequency of Qualification i.e. since | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report |
|---|---|---|---|
| | Modi Nagar for Rs. 1021.15 Lakhs (original cost Rs. 1.95 Lakhs) for which the approval of bank is pending. | | all the banks has been made except Punjab National Bank whose matter is sub-judice before Hon'ble Delhi High Court. |
| 4 | During the year 2011-12, the Company has given physical possession of its vacant 59 (46 as on March 31, 2015) houses located at Modi Nagar, 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 | 2011-12 | As stated in footnote in Annual Accounts, the Company has not been able to repay the loans taken from AML and temporary possession was allowed to it and most of the houses were repossessed during the year. |
| 5 | 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 up to 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 up to 30th September 2018 and booked balance | 2011-12 | The company has already deposited balance of OTS amount of Rs. 65 Lacs plus delayed period interest if 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 |

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| Sl. No. | Audit Qualification | Frequency of Qualification i.e. since | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report |
|---|---|---|---|
| | amount of interest in the quarter ending 31st December 2018.<br><br>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.<br><br>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.<br>(a) 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 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.<br><br>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:<br><br>Terms & conditions:<br><br>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.<br>2) Rs. 135 lakhs will be deposited within one week of receipt of this sanction letter. | | by the company in terms of revived OTS letter dated 25.03.2019 within one week of receipt of letter.<br><br>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 has filed Writ Petition in the Delhi High Court against order of the DRAT and stay order has been passed in favour of the Company. The aforesaid matter is sub-judice before the Hon'ble High Court of Delhi. |

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| Sl. No. | Audit Qualification | Frequency of Qualification i.e. since | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report |
|---|---|---|---|
| | 3) The party to undertake to pay commercial tax liability as demanded by the Commercial Tax Authority.<br>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).<br><br>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.<br><br>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.<br><br>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.<br><br>Further, PNB vide letter dated 04.05.2019 requested the company to submit No Dues | | The company is also in the process of taking NOC from Commercial Tax Department and the matter of commercial tax is also sub-judice before the Hon'ble High Court of Allahabad for Arguments. |

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| Sl. No. | Audit Qualification | Frequency of Qualification i.e. since | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report |
|---|---|---|---|
| | 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 was listed on 19th February, 2020. On 19thFebruary, 2020 interim order dated 24th October, 2019 was made absolute during the pendency of the Writ Petition. The next date of hearing in the matter is 20.08.2025. Further, NCLT matter has been dismissed on 22.09.2023 due to non-appearance on behalf of financial creditor (PNB), the matter has been dismissed for non -prosecution.<br><br>(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.<br><br>The above matter is sub-judice before Hon'ble High Court of Allahabad for further hearing. | | |
| 6 | Balance confirmation certificates were not obtained by the Company from creditors, loans and advances given/receives, 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. | 2007-09 | After the closure of manufacturing operations, the Company has not obtained balance |

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| Sl. No. | Audit Qualification | Frequency of Qualification i.e. since | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report |
|---|---|---|---|
| | | | confirmations as most of the balances are in-operative. |
| 7 | (a) The amounts paid by the Ashoka Mercantile Limited (AML), a related party, to Abu Dhabi Commercial Bank (ADCB) on account of One Time Settlement (OTS) of dues of the bank was accounted for in the books of the Company to the extent of OTS amount paid to the ADCB by AML and the balance amount of 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.<br><br>(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.<br>(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.<br><br>The effect if any, on the income/expenditure of the company on final OTS with PNB cannot be ascertained. | 2011-12 | PNB vide its letter dated 04.07.2019 informed that the tax authorities have declared OTS revival as failed.<br><br>The Company has filed Writ Petition in the Delhi High Court against order of the DRAT and stay order has been passed in favour of the Company. The aforesaid matter is sub-judice before the Hon'ble High Court of Delhi. |

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<table>
<tr><th>Sl. No.</th><th>Audit Qualification</th><th>Frequency of Qualification i.e. since</th><th>Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report</th></tr>
<tr><td>8.</td><td>(a) 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. Following undisputed amounts payable in respect of Income tax, Sales tax, Goods and Services 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, 2025 for a period of more than six months from the date they became payable:
<table>
<tr><th>Name of the Statute</th><th>Nature of Dues</th><th>Amount (Rs. In Lakhs)</th></tr>
<tr><td>Sales Tax Laws</td><td>Sales Tax Payable-Branch</td><td>1.4902</td></tr>
<tr><td>Sales Tax Laws</td><td>1% State Development Tax</td><td>0.0073</td></tr>
<tr><td>Sales Tax Laws</td><td>12%U.P. Trade Tax</td><td>2.8379</td></tr>
<tr><td>Sales Tax Laws</td><td>2.5%U.P. Trade Tax</td><td>0.0039</td></tr>
<tr><td>Sales Tax Laws</td><td>3% Central Sales Tax</td><td>0.0643</td></tr>
<tr><td>Sales Tax Laws</td><td>Sales Tax</td><td>0.0086</td></tr>
<tr><td>Sales Tax Laws</td><td>8% U.P. Trade Tax</td><td>0.0093</td></tr>
<tr><td>Sales Tax Laws</td><td>Turnover Tax</td><td>0.0069</td></tr>
<tr><td>Sales Tax Laws</td><td>Vat Collection 4%</td><td>0.0189</td></tr>
<tr><td>Central Excise Laws</td><td>Excise Duty from Amount Payable</td><td>82.60</td></tr>
<tr><td>Goods and Service Tax Laws</td><td>Goods and Service tax</td><td>25.5368</td></tr>
<tr><td>Income Tax Laws</td><td>Income Tax Deducted at Source</td><td>51.246</td></tr>
<tr><td></td><td>Total</td><td>163.8301</td></tr>
</table></td><td></td><td>8(a)Company is in negotiation with the Various Statutory Authorities for settlement of these dues and the matter is progressing well and management is confidence that the settlement of dues will take place in the near future. Few of these dues are negligible in nature except Payable under Excise and TDS.</td></tr>
</table>

B M Chatrath & Co. LLP Noida Chartered Accountants

<table>
<tr><th>Sl. No.</th><th>Audit Qualification</th><th>Frequency of Qualification i.e. since</th><th>Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report</th></tr>
<tr><td></td><td>(b) 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:<br><br>The Following are the particulars of above Dues on account of Sales Tax, duty of Excise, duty of Customs, Water Tax and Income Tax as at March 31, 2025 that have been disputed by the Company in Appeals pending before the Appellate Authorities<br><br>
<table>
<tr><th>Name of the Statute</th><th>Nature of Dues</th><th>Amount (In Rs. Lacs)</th><th>Period to which amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>Sales Tax Laws</td><td>Sales Tax</td><td>94.22<br>1428.88<br>1010.75</td><td>2004-05<br>2005-06<br>2006-07</td><td>High Court of Allahabad (Appeal)</td></tr>
<tr><td>Sales Tax Laws</td><td>Sales Tax</td><td>1.41</td><td>1991-92</td><td>High Court</td></tr>
<tr><td>Sales Tax Laws</td><td>Sales Tax</td><td>12.43</td><td>2007-08</td><td>Addl. Commissioner</td></tr>
<tr><td>Customs Law</td><td>Custom Duty</td><td>74.66</td><td>1982-83</td><td>Asst. Commissioner</td></tr>
<tr><td></td><td>Custom Duty</td><td>19.39</td><td>2002-03</td><td>Appellate Tribunal</td></tr>
<tr><td>The Uttar Pradesh Water Supply and Sewerage (Amendment) Act, 1999</td><td>Water Tax</td><td>7.11</td><td>1997-98 & 1998-99</td><td>Additional Civil Judge</td></tr>
<tr><td>Central Excise Law</td><td>Excise Duty</td><td>115.75</td><td>1983-84</td><td>High Court</td></tr>
<tr><td></td><td>Excise Duty</td><td>44.93</td><td>1994-97</td><td></td></tr>
<tr><td></td><td>Interest</td><td>6.56</td><td></td><td></td></tr>
<tr><td></td><td>Penalty</td><td>6.56</td><td></td><td></td></tr>
</table>
</td><td></td><td>8(b) These disputed Statutory dues have been pending before various Forum and the matter is progressing well and management is confident that the</td></tr>
</table>



| Sl. No. | Audit Qualification | Frequency of Qualification i.e. since | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report |
|---|---|---|---|
| | <table><tr><td>Income tax Act,1961</td><td>Non – Deduction of TDS</td><td>107.71<br>109.84</td><td>2006-07 to 2008-09</td><td>High Court<br>ITAT/<br>Commissioner (A)</td></tr><tr><td></td><td>Income Tax</td><td>64.50</td><td>2014-15</td><td>CPC</td></tr><tr><td></td><td>Income Tax</td><td>34.60</td><td>2003-04</td><td>CPC</td></tr><tr><td>Civil Suit</td><td>Trade payables</td><td>95.08</td><td>2008-09</td><td>Delhi High Court</td></tr><tr><td>Civil Suit</td><td>Trade payables</td><td>18.13</td><td>2009-10</td><td>District Court, Saket, Delhi</td></tr></table> | | settlement of dues may take place in the near future in favor of Company. |
| 9. | 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<br>a. Amount of central excise duty of Rs. 44.93 lakhs<br>b. Amount of interest of Rs. 6.56 lakhs<br>c. Amount of penalty of Rs. 6.56 lakhs<br>for the period from 1994 to 1997.<br><br>The company has not made provision of the said amount & further interest thereon in its books till 31st March, 2025 due to which profit is understated by Rs. 58.05 lakhs plus interest.<br>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. | | The Company has filed the appeal against the order of commissioner Central Excise & Service Tax, Ghaziabad before the CESTAT, Allahabad and said matter is pending for further hearing before Tribunal. |

B M Chaitrath & Co. LLP
Noida
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| Sl. No. | Audit Qualification | Frequency of Qualification i.e. since | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report |
|---|---|---|---|
| 10 | The company has 15% redeemable cumulative preference shares of Rs 100 each. Preference shares due for redemption since 31st March 1996. | | 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 to till date and non-implementation of Agreement/ Scheme by the Indofil Industries Limited |

**(SUNIL KUMAR JHA)**
**STATUTORY AUDITORS**

**MANISH MODI**
**CHAIRMAN & MANAGING DIRECTOR**

**VINEET KUMAR THAREJA**
**CFO**

**SHASHI KANT RANJAN**
**AUDIT COMMITTEE CHAIRMAN**

**Place: New Delhi**
**Dated: May 30, 2025**