



MODI INDUSTRIES LIMITED

88th

Annual Report

and

Accounts 2021-22

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BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

Shri Umesh Kumar Modi

DIRECTORS

Shri Vinay Kumar Modi
Smt. Kumkum Modi
Shri Rakesh Kumar Modi
Shri Abhishek Modi
Shri Jayesh Modi
Shri Anand Parkash Modi
Shri Jagdish Chander Chawla
Shri Vivek Singh (Nominee of SBEC Sugar Ltd)
Shri Rahul Chaudhary (Nominee of SBEC Sugar Ltd.)

COMPANY SECRETARY

Shri Shobit Nehra

STATUTORY AUDITORS

M/s. P.R. Mehra & Co.,
Chartered Accountants,
(Firm Regn No. 000051N)
56, Darya Ganj, New Delhi-110002.

COST AUDITORS

M/s. M.K. Singhal & Co.,
Cost Accountants
(Firm Regn.No. 00074)
'Panchvati', Opp. M.M. College,
Modinagar-201204. (U.P.)

INTERNAL AUDITORS

M/s. Sarat Jain & Associates,
Chartered Accountants,
(Firm Regn.No. 014793C)
C-99-B, Sector 44,
District Gautam Budh Nagar,
Noida (U.P.) 201301.

SECRETARIAL AUDITORS

M/s. A.N. Jaiswal & Co.,
Company Secretaries,
(CP No. 14629)
RZ-38, FF, South Extension, Part II,
Near Jagaran Chowk, Uttam Nagar (W),
New Delhi 110059

REGISTERED OFFICE

Modinagar, District Ghaziabad (U.P.)-201204

NAME OF UNITS

Modi Sugar Mills
Modi Distillery
Modi Steels
Modi Arc Electrodes Co.
.

BANKERS

Indian Bank
Punjab National Bank
State Bank of India
Axis Bank

NOTICE

NOTICE is hereby given that the 88th Annual General Meeting of **Modi Industries Limited** will be held on **Tuesday, the 20th December, 2022, at 4.00 PM**, at Auditorium, Dayawati Modi Public School, Modinagar, District Ghaziabad (U.P.) 201204, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution**:
“**RESOLVED** that the audited financial statement of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and the Auditors thereon laid before this meeting, be and are hereby considered and adopted.”
2. To appoint Directors, who retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment and to consider and, if thought fit, to pass, the following resolutions as **Ordinary Resolutions**:
 - (a) “**RESOLVED** that pursuant to Section 152(6) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) and re-enactment thereof for the time being in force), Smt. Kumkum Modi (DIN 00522904), who retires by rotation at this Annual General Meeting and is eligible for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation.”
 - (b) “**RESOLVED** that pursuant to Section 152(6) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) and re-enactment thereof for the time being in force), Shri Jayesh Modi (DIN 02849637), who retires by rotation at this Annual General Meeting and is eligible for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation.”
3. To appoint Statutory Auditor and to fix their remuneration and, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED** that pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, (and all the other applicable provisions, if any, of the Act and Rules made thereunder including any statutory modification or re-enactment thereof, for the time being in force), M/s P. R. Mehra & Co., Chartered Accountants, (Firm Registration No.000051N), of New Delhi be and are hereby appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of this 88th Annual General Meeting till the conclusion of the 93rd Annual General Meeting of the Company, on such remuneration as may be mutually agreed between the Board of Directors and the Auditors”.

SPECIAL BUSINESS:

4. **Ratification of remuneration payable to Cost Auditors for the financial year ending March 31, 2023.**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED** that pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded for payment of total remuneration of Rs. 1,20,000/- (including all expenses) + applicable taxes payable to M/s M.K. Singhal & Co., (Firm’s Regn. No. 00074) Cost Accountants, Modinagar, to conduct the audit of Cost Accounts maintained by Sugar and Distillery units of the Company for the financial year 2022-23.”

**By Order of the Board of Directors
for Modi Industries Limited**

**(Shobit Nehra)
(ACS-31863)**

Company Secretary

Place : Modinagar-201204.(U.P.)

Dated: 16th November, 2022

Regd. Office: Modinagar - 201204. (U.P.)

Tel: 01232-243115, 9084786567

CIN - U15429UP1932PLC000469

Email : modiindustrieslimited@gmail.com

Website: www.modiindustries.net

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members and holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
3. Brief resume of Directors seeking re-appointment at the Annual General Meeting is annexed hereto.
4. The Board of Directors of the Company, on recommendation of its Audit Committee, has appointed M/s. P.R. Mehra & Co., Chartered Accountants (Firm Registration No. 000051N) of New Delhi as Statutory Auditors of the Company for a period of 5 (five) years i.e. from the conclusion of this 88th Annual General Meeting till the conclusion of 93rd Annual General Meeting of the Company as the provisions of Section 139(2) i.e. Rotation of Statutory Auditor is not applicable to the Company.
5. The Register of Members of the Company will remain closed from 14th December, 2022 to 20th December, 2022 (both days inclusive).
6. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturday, Sunday and Holidays, between 9.00 A.M. to 11.00 A.M. upto the date of the Annual General Meeting.
7. ISIN of fully paid up equity shares of the Company is INE573D01012. For demat of shares related work shareholders are requested to please contact to Registrar & Agents (RTA) of the Company, M/s Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi 110020 (Contact No. 011-26387281-82-83) or their NSDL Depository Participant where they have opened their Demat Account.
8. Shareholders are requested to intimate change in their address, if any, directly to RTA of the Company.
9. Share-holders who have not registered their email addresses so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
10. The Securities and Exchange Board of India ('SEBI') has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form are requested to consider converting their holding to dematerialised form in order to eliminate all risk assisted with physical form and for ease of portfolio management. Members contact the company or RTA of the Company for assistance in this regard.
11. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.
12. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
13. In case of joint holders, attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.
14. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members as on Tuesday, the 13th December, 2022, i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9:00 A.M. on Saturday, the 17th December, 2022 and will end at 5:00 P.M. on Monday, the 19th December, 2022. The Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed M/s A. N. Jaiswal & Co., Practicing Company

Secretaries of New Delhi, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. Shri Amar Nath Jaiswal, Proprietor, shall act as Scrutinizer on behalf of the firm. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

15. In view of the massive outbreak of the COVID-19 pandemic and as per circulars issued by MCA, the Members of the Company will attend AGM of the Company through Video Conferencing (VC) or Other Audio Visual Means (OAVM).
16. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
17. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
19. In accordance with Notification of Government of India dated 10th September, 2018 any request for physical transfer of shares of an unlisted Company shall not be processed w.e.f. 2nd October, 2018.

Further, in compliance with SEBI vide its circular SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in Demat form only:-

- i. Issue of duplicate share certificate
- ii. Claim from unclaimed suspense account
- iii. Renewal/Exchange of securities certificate
- iv. Endorsement
- v. Sub-division / splitting of securities certificate
- vi. Consolidation of securities certificates/folios
- vii. Transmission
- viii. Transposition

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of RTA i.e. MAS Services Ltd, Registrar and Share Transfer Agent (RTA). The aforementioned form shall be furnished in hard copy form.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest.

20. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website www.modiindustries.net of the Company, Modi Industries Limited at Modinagar and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

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

The remote e-voting period begins on Saturday, December 17, 2022 at 9:00 A.M. and ends on Monday, December 19, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 13th December, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 13th December, 2022.

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

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

Step 1: Access to NSDL e-Voting system

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

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by the Company, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL IDEAS facility , please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “ Beneficial Owner ” icon under “Login” which is available under “ IDEAS ” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If the user is not registered for IDEAS e-Services, option to register is available at https:// eservices.nsd.com . Select “ Register Online for IDEAS ” Portal or click at https://eservices.nsd.com/ SecureWeb/ IdeasDirect Reg.jsp
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and Annual General Meeting is in active status.
2. Select "EVEN" of Modi Industries Limited for which you wish to cast your vote during the remote e-Voting period and casting your vote during the Annual General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Annual General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please send signed request with Folio No., Name of shareholder, scanned copy of any one share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@masserv.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@masserv.com or modiindustrieslimited@gmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e.Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by the Company, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against Modi Industries Limited. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at modiindustrieslimited@gmail.com. The same will be replied by the company suitably.

General Instructions

- i. The Board of Directors has appointed M/s A. N. Jaiswal & Co., Practicing Company Secretaries of New Delhi (ACS NO. 19000, CP. NO. 14629) as the Scrutinizer to the e-voting process and voting at the e- AGM in a fair and transparent manner.
- ii. Corporate/Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to epost2amar@gmail.com with a copy marked to evoting@nsdl.co.in.
- iii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the evoting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through evoting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
- v. The Scrutinizer shall submit his report to the Chairman or in his absence Director of the Company, who shall declare the result of the voting. The results declared along with the scrutinizer's report shall be placed on the Company's website www.modiindustries.net.
- vi. Shri Amar Nath Jaiswal, proprietor shall act as a Scrutinizer on behalf of M/s A. N. Jaiswal & Co., Practicing Company Secretaries (Membership No. ACS-19000 & CP No. 14629), appointed for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- vii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the e-voting facility.
- viii. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- ix. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.modiindustries.net and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing.
- x. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-1020-990 and 1800-22-4430 or send a request to Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

ITEM NO. 4

On recommendation of Audit Committee, Board has appointed M/s M.K. Singhal & Co., (Firm's Regn. No. 00074) Cost Accountants, Modinagar, as Cost Auditors for the financial year 2022-23 to conduct the audit of Cost Accounts in respect of Sugar and Distillery units of the company subject to ratification of remuneration by share holders.

Proposed remuneration for the financial year 2022-23 is mentioned below:

Name of the unit	Proposed remuneration (including all expenses)+ applicable Taxes to be paid to Cost Auditors.(₹)
(1)	(2)
Sugar	60,000.00
Distillery	60,000.00
Total	1,20,000.00

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013 remuneration of Cost Accountants will be finally determined by the members of the company in the Annual General Meeting.

Your directors recommend the resolution for your approval as an Ordinary Resolution.

None of the directors of the Company are concerned or interested in the Resolution as set out in item no. 4.

**By Order of the Board of Directors
for Modi Industries Limited**

Place : Modinagar-201204.(U.P.)

Dated: 16th November, 2022

(Shobit Nehra)

(ACS-31863)

Company Secretary

Regd. Office: Modinagar - 201204. (U.P.)

Tel: 01232-243115, 9084786567

CIN - U15429UP1932PLC000469

Email : modiindustrieslimited@gmail.com

Website: www.modiindustries.net

Details of Director retiring by rotation seeking re-appointment at this Annual General Meeting pursuant to Secretarial Standard-2 on General Meetings

Name of Director	Smt. Kumkum Modi	Shri Jayesh Modi
Director Identification Number (DIN)	00522904	02849637
Date of Birth & Age	19/01/1951 71 Years	14/11/1991 31 Years
Date of Appointment on the Board	11/09/2020	11/09/2020`
Qualifications	She holds Master's Degree in Arts from University of Delhi	Bachelor of Business Administration
Expertise	She has varied experience of the industry of more than 31 years in field of general management and corporate advisory Services.	He is an Industrialist having experience of over 12 years and expertise in Packaging and electrode business and also have rich experience in the field of Accounting, Finance and Taxation.
Shareholding of Director in the Company as on 31.03.2022	16526	100
Relationship with other directors and KMPs of the Company	Mr. Umesh Kumar Modi (Spouse) Mr. Abhishek Modi (Son) Mr. Jayesh Modi (Son)	Mr. Umesh Kumar Modi (Father) Mrs. Kumkum Modi (Mother) Mr. Abhishek Modi (Brother)
Chairmanship/Membership in the Committees of the Boards of other Companies in which he/she is Director	Nil	Nil
Number of Board meetings attended during the financial year 2021-22 (i.e. from 01.04.2021 to 31.03.2022)	4	2
Remuneration (including Sitting Fees and Commission) paid during the financial year 2021-22 (i.e. from 01.04.2021 to 31.03.2022)	Rs.40,000/-	Rs.20,000/-

DIRECTORS' REPORT

To
The Members,

The Directors of your Company hereby present the 88th Annual Report together with the Audited Financial Statement of the Company along with Auditors' Report thereon for the financial year ended on 31st March, 2022. The working results of the year are summarized as under:

(₹ in Lacs)

Description	For the Year Ended on	
	31.03.2022	31.03.2021*
Sale of products/services and other operating Revenue	1,24,110.15	99,484.51
Less: Excise Duty	43,540.88	35,481.83
Revenue from Operations	80,569.27	64,002.68
Other Income	1,728.28	1,834.53
Total Revenue	82,297.55	65,837.21
Profit before Depreciation, Finance Costs, Exceptional Items & Tax	3,288.76	1,147.01
Finance Costs	791.57	762.39
Depreciation	338.03	311.21
Profit before Exceptional Items & Tax	2,159.16	73.41
Exceptional items:	85.35	1,123.69
Tax Expenses	-	-
Profit for the year	2,244.51	1,197.10
Loss from discontinuing operations of Electrode, Paint, Gas Units and CAD from 2016-17 to 2020-21	1,783.60	-
Net Profit	460.91	1,197.10

* Figures of the previous year only consist of Sugar, Distillery, Steel Units and Corporate Office of the Company. The above previous year's results do not include financial data of Gas, Paint, Electrode Units and Central Accounts Department (CAD), as the same could not be made available on account of closure of these units. Other information for the previous year relating to these units were also not made available by these units and hence not included in the Directors' Report/Annual Report.

Operations

Sale of products/services and other operating revenue of your Company for the year was ₹ 1,241.10 Crore as against ₹ 994.85 Crore in the previous year. Operating Profit (EBITA) is ₹ 32.89 Crore, as against Operating Profit of ₹ 11.47 Crore in the previous year. Your Company's performance during the year improved over the previous year despite a challenging operating environment.



Last memory of Shri Umesh Kumar Modi, CMD with his father and founder of the Company (December 1975)

OPERATIONAL PERFORMANCE OF THE UNITS FOR THE YEAR UNDER REPORT:

SUGAR UNIT (Modi Sugar Mills, Modinagar):

(a) Unit Operations:

The operating performance of the Sugar Unit for Crushing Season 2021-22 as compared to the previous Crushing Season 2020-21 is as under:

Sl. No.	Particulars	2021-22	2020-21
1.	Gross Working days	191.89	206.41
2.	Cane Crushed (Lac/ Qtls)	87.59	92.42
3.	Average Cane Crush (Qtls/Day)	45,645.64	44,776.54
4.	Manufacturing Losses (%)	1.894	2.028
5.	Steam Consumption (% Cane)	44.40	45.31
6.	Average Sugar Recovery (% Cane)	11.246	11.26
7.	Sugar Production (Lac/ Qtls)	9.85	10.41

The cane crushing during the financial year under review was 93.23 lac qtls. as against 86.44 lac qtls. in the previous financial year. Sugar recovery during the financial year decreased in comparison to previous year from 11.36 % to 11.23 %.

(b) Cane Development

In the business of sugar production, a sustainable (and growing) pipe line of cane availability makes it possible to enhance capacity utilization and enhance revenues. The

following efforts have been made by the management in the area of sugarcane development;

- (1) The area under cultivation of high sugar varieties of cane was maintained 100% in the season 2021-22. In addition, the management focused on execution of both extensive and intensive cane development activities comprising of appropriate usage of insecticides, pesticides and optimum use of fertilizers. Consequently, the pol % in cane decreased by 0.147% i.e. from 13.272 % in crushing season 2020-21 to 13.125 % in crushing season 2021-22.
- (2) The management is further making efforts to maintain the area under high sugar variety cane upto 100% in the next season 2022-23 as well. The management is also making efforts to increase the supply of cane at factory gate from 54.74 % in crushing season 2021-22 to about 57.52% in crushing season 2022-23.
- (3) The company shortlisted one cane variety i.e., co 15023 for resistance to red rot disease and a suitable replacement for the long successful CO 0238. Further, the company suggested the farmers to use the chemicals to enhance soil treatment and yield.

DISTILLERY UNIT (Modi Distillery, Modinagar):

(1) **Unit Operations**

The operating performance for the financial year 2021-22 as compared to the previous financial year 2020-21 is as under:

Sl. No.	Particulars	2021-22	2020-21
1.	Gross Working days (Rectified Spirit)	36.00	56.00
2.	Production Rectified Spirits (KL)	675.81	981.87
3.	IMFL Bottling (in cases)	16,21,726	11,44,468
4.	Fermentation Efficiency (%)	88.20	88.50
5.	Distillation Efficiency (%)	97.00	97.20

During the year under review, the production of Rectified Spirit was 675.81 KL. as compared to last year 981.87 KL. In the year under review, there was significant improvement in production of Indian Made Foreign Liquor (IMFL) from 11,44,468 cases to 16,21,726 cases. The net profit of the Unit is ₹ 1889.89 Lacs during the current year as against net profit of ₹ 1265.10 Lacs during the previous year.

(b) **Distillery Expansion:**

(1) **Establishment of New Grain Distillery**

The Company undertook an expansion project by setting up a new Grain distillery plant. Currently, the unit is purchasing Grain Neutral Alcohol (GNA) from Punjab, for its bottling operation. Looking into the increase in the future demand of Indian Made Foreign Liquor (IMFL), demand of GNA is also increasing. To secure the GNA requirements and to maintain a good quality product, it has been decided that the Company should convert its existing 30 KLPD Molasses Distillery into 32 KLPD Grain Distillery which will be able to full fill the demand of IMFL upto 2.4 million cases. The estimated cost of the project will be around ₹ 35.00 Crores. The Company had applied before the Excise Department (U.P.) for the license and the Excise Department on 12.09.2022 has granted excise license for converting the existing 30 KLPD molasses Distillery to 32 KLPD grain Distillery. Further, the Company has also received NOC from U.P. Pollution Control Board to set up a Grain Based Distillery on 15.06.2021.

In the month of February,2022 the Company has placed an order for setting up of 32 KLPD Grain Based Distillery Plant to M/S Regreen Excel EPC India Pvt. Ltd. one of the renowned manufacturers of Grain Distillery Plant and the civil work of the Distillery Unit has been commenced.

The commercial production of Grain Distillery is likely to start from November, 2023.

(2) **Expansion of the Bottling Capacity**

Currently Modi Distillery has its bottling lines for bottling Indian Made Foreign Liquor (IMFL). To enhance the bottling capacity, the company has installed two new bottling lines in its new bottling hall for increasing its finished goods and dry goods storage capacity and the said bottling lines will come into operation in the financial year 2022-23. After expansion, the bottling capacity of the unit would be around 8000 cases per day which corresponding 2.4 million cases per Annum.

ELECTRODE UNIT (Modi Arc Electrodes Company, Modinagar)

(1) Unit Operations:

The operating performance for the financial year 2021-22 is as under:

Sl. No.	Particulars	2021-22	2020-21*
1.	Gross Working days	129	-
2.	Production Electrode (MT)	793.36	-
3.	Production Electrode (MT/Days)	6.15	-
4.	Production CO2 (MT)	834.31	-
5.	Production CO2 (MT/Days)	6.47	-

*The unit was lying closed and has restarted its production with effect from 25.10.2021.

The Company has incurred approximately ₹15.00 Crore to restart the Electrode Unit of the Company and during the year under review, the production of Electrode and CO2 Wire on job work basis was 793.36 MT and 834.31 MT respectively.

(2) Establishment of Pickling Plant:

The Company undertook an expansion project by setting up a new **Stainless Steel Pickling Plant with the Capacity of 500 MT** per month and the estimated cost of the project is ₹ 2.00 Crores. It is expected that the operation of the pickling plant may start in the financial year 2022-23.

STEEL UNIT (Real Estate Division)

The Company has started the work of developing the land area approximately 7610.82 Sq. Mts. which was lying vacant at Umesh Park, Modinagar. The said residential project named as "**UMESH PARK**" will have 3 towers and every tower will have 10 floors with 4 flats at each floor (Total 114 Flats).

The Company has submitted the detailed maps/drawings of the residential project to the Ghaziabad Development Authority (GDA) and the department has also reviewed the maps/drawings and issued letters to the respective Government departments and for issuing their No- objection certificate for the above residential project. As on date the Company has received NOCs from Tehsil, Modinagar, Nagar Palika, Modinagar, Fire Department, U.P. Pollution Control Board, Electricity Department, Regional Rapid Transit System, Forest Department and Land Acquisition Report from GDA.

Further, the GDA also directed the Company to get the structural vetting of the residential project from the Indian Institute of Technology. After that the Company applied for Structural Vetting Certificate before the IIT, Roorkee and the said Department has issued the Structural Vetting Certificate of the residential project to the Company.

It is expected that the final approval from the GDA will be received in the month of January, 2023.

DIVIDEND:

Directors regret their inability, in view of the losses, to recommend any dividend for the year.

SHARE CAPITAL :

The Paid-Up Share Capital as on March 31, 2022 was ₹3,71,66,240 (i.e. 33,09,214 Equity Shares of ₹10/- each and 40,741 Redeemable Cumulative Preference Shares of ₹100/- each).

FIXED DEPOSITS:

Outstanding principal amount ₹60.86 Lac of public deposits and outstanding interest amounting to ₹19.73 Lac due thereon up to the date of maturity were transferred to Investor Education Protection Fund on 7th May, 2018 vide Challan No. U27569086. Thus, there is no liability of the Company towards deposit holders as on date.

Now, the Deposit Holders can claim their refund directly from IEPF Authority by filing form IEPF-5 and following the prescribed procedure given under the Companies Act, 2013 and rule made thereunder.

ONE TIME SETTLEMENT WITH BANKS/INSURANCE COMPANIES/ FINANCIAL INSTITUTIONS:

During the year under review the Company has settled outstanding Term Loans and Debentures of the United India Insurance Company Limited, Life Insurance Corporation of India, General Insurance Corporation of India through One Time Settlement. In the financial year 2022-23 the Company has also settled the dues of the remaining secured creditors namely Oriental Insurance Company Limited, National Insurance Company Limited and 3A Capital Services Limited through One Time Settlement except New India Assurance Company Limited and the settlement with them is in progress.

DEBENTURES:

During the year under review the Company settled 24826 Debentures. Debenture's worth ₹329.59 Lac were outstanding for payment as on 31st March, 2022. As decided by the Board of Directors in their meeting held on 12.04.2022, the Company has deposited an amount of Rs. 5,25,98,836/- towards principal amount and interest upto the date of maturity due on unclaimed 98907 - 12.5% Debentures to IEPF account with Punjab National Bank, Parliament Street Branch, New Delhi on 30th April, 2022 vide challan No. X13283197.

Now, the Debenture Holders can claim their refund directly from IEPF Authority by online filing form IEPF-5 for their debentures dues and following the prescribed procedure given under the Companies Act, 2013 and rule made thereunder.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, in respect of all units of the Company, {excluding Balance Sheet of Steel Unit - refer Note 27(4)} it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2022, the applicable accounting standards have been followed and wherever required proper explanations relating to material departures have been given;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the losses of the Company for that period;
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the annual accounts have been prepared on a going concern basis.
- (v) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles 95 of the Company's Articles of Association of the Company, Smt. Kumkum Modi (DIN 00522904) and Shri Jayesh Modi (DIN 02849637) are liable to retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. On recommendation of Nomination and Remuneration Committee, the Board has recommended the appointment of Smt. Kumkum Modi and Shri Jayesh Modi as Directors, liable to retire by rotation to the shareholders of the Company. Particulars of Directors seeking appointment/re-appointment have been given in the explanatory statement annexed to the Notice for the Annual General Meeting.

None of the directors of the Company are disqualified under Section 164 (2) of the Companies Act, 2013. Your directors have made necessary disclosures as required under various provisions of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL (KMP):

In pursuance of the compliance of Section 203 of the Companies Act, 2013 the following persons, during the year under review, were designated as Whole Time Key Managerial Personnel of the Company: -

1. Shri Umesh Kumar Modi- Chairman and Managing Director
2. Shri Shobit Nehra – Company Secretary

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

SUBSIDIARY COMPANIES:

The equity shares of the subsidiary companies held by the Company i.e., 13,200 equity shares of Own Investment (India) Limited and 21,450 Equity shares of Your (Investment) India Limited were sold to M/s A to Z Holdings Private Limited and M/s Longwell Investment Pvt. Ltd. respectively. Consideration amount in full against sale of these shares was received on 18th March, 2021 hence these companies were ceased to be subsidiary companies of the Company with effect from 18th March, 2021.

CORPORATE GOVERNANCE:

Corporate Governance Report for the year under review, prepared as per applicable provisions of the Companies Act, 2013, is attached as **Annexure 'A'**.

ANNUAL RETURN:

As per Companies Act, 2013 the Annual Return of the Company for the year will be available on the Website of the Company at www.modiindustries.net.

MATERIAL CHANGES AND COMMITMENTS:

No material Changes or commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of the report.

NUMBER OF BOARD MEETINGS:

Four meetings of the Board of Directors were held during the financial year 2021-22 i.e., 28th May, 2021, 21st July, 2021, 9th November, 2021 and 15th December, 2021.

The Ministry of Corporate Affairs ("MCA") vide its General Circular No. 08/2021 dated 03rd May 2021, has decided that the requirement of holding the meeting of the Board of the Companies within intervals provided in Section 173 of the Companies Act, 2013 (120 days) stands extended by period of Sixty (60) days for first two quarters of the financial year 2021-2022.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

As per Section 135 of the Companies Act, 2013 the provision relating to Corporate Social Responsibility is not applicable to the Company in view of negative net-worth and losses etc. hence no CSR Committee is constituted.

WHISTLE BLOWER POLICY:

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

INTERNAL FINANCIAL CONTROL:

Your Company has in place an adequate internal control system in order to ensure that all transactions are authorized, recorded and reported correctly and that all assets are protected against the perils of unauthorized use or disposition. Towers enhancing the efficiency of internal controls, services of consultants are hired wherever necessary, and their suggestions are reviewed and implemented. Your Company has in place an Internal Audit System, whereby an independent professionals firm of Internal Auditors conducts regular audit across the Company and their scope and findings are reviewed by the Management and Audit Committee on a regular basis.

The Audit Committee of the Board also meets periodically to review the internal controls, internal audit findings, action taken reports and to advise the management on corrective policies, if any.

ANNUAL EVALUATION:

The Board is in conformity with the Performance Evaluation Report submitted by the Nomination & Remuneration Committee, as per Performance Evaluation Policy of the Company.

NOMINATION & REMUNERATION POLICY:

Nomination & Remuneration Policy of the Company governs Directors' appointment including criteria for determining their qualifications, positive attributes, their independence and remuneration for the Directors, KMPs and other employees. The Nomination and Remuneration Policy is uploaded on Company's website www.modiindustries.net.

RISK MANAGEMENT POLICY:

The Company has taken out various policies to cover risk against Plant & Machinery, Building, Godowns, Computers, Vehicles, Cash in hand/in transit and to reduce the financial risk etc. Various units of the Company also identify the elements of risk & requirement of policies, if any, related to their units and submit report periodically to the Board.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS:

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

RELATED PARTY DISCLOSURE:

The related party transactions that were entered into during the financial year were generally on an arm's length basis and in the ordinary course of business and complied the provisions of Section 188 of the Companies Act, 2013. These transactions were generally in the nature of ordinary course of business as per very old set up and structure of the Company and are continuation of old transactions viz lease rents and sale, purchase of the products in the normal course of business as being done in the previous years. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee and Board of Directors for their approval periodically.

Your directors draw attention of members to Note No. 27(37) to the financial statements which set out related party disclosures.

PERSONNEL:

The information required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is applicable only on listed companies. Your Company is an unlisted Company now hence the above said rule is not applicable, therefore, details under above said rule are not being given.

Pursuant to MCA Notification G.S.R. 646(E) dated 30th June, 2016 Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, list of top ten employees in terms of remuneration drawn is attached as **Annexure "B"** and none of the employee was in receipt of remuneration of Rupees One Crore and Two Lakh or more per year throughout the year or Rupees Eight Lakh and Fifty Thousand per month for the part of the year. Further, none of the employees is in receipt of remuneration which is in excess of the remuneration drawn by Managing Director or Whole-time Director or any manager of the Company and holds by himself or along with his/ her spouse and dependent children, not less than 2% of equity shares of the Company.

AUDITORS AND THEIR REPORTS:

STATUTORY AUDITORS:

M/s P.R. Mehra & Co., Chartered Accountants, (FRN 000051N), are Statutory Auditors of the Company to hold office upto the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company as per the provisions of the Companies Act, 2013. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s P.R. Mehra & Co. that their appointment, if made, would be in conformity with the limits specified in the said section. The appointment of Auditors has to be done by an Ordinary Resolution.

With reference to the qualifications contained in the Auditors Report, the Directors wish to state that the Notes referred to by the auditors in their report are self-explanatory and hence do not call for any further comments.

COST AUDITORS:

As per the requirement of the Central Government and pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has to get audit of cost records relating to Sugar and Distillery Units done for the financial year 2022-23.

The Board of Directors, on the recommendation of Audit Committee, have appointed M/s M.K. Singhal & Co., Cost Accountants, (Firm's Regn. No. 00074) of Modinagar, as Cost Auditors to conduct the audit of Cost Accounts maintained by Sugar and Distillery units of the Company at a total remuneration of ₹1,20,000/- (including all expenses) + applicable Taxes payable to them for the financial year 2022-23. Members' approval for the remuneration payable to the Cost Auditors has to be obtained by an Ordinary Resolution.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company had appointed M/s A.N. Jaiswal & Co., Practicing Company Secretaries (ACS No. 19000, CP No. 14629) of New Delhi, as Secretarial Auditors of the Company. They have submitted their Secretarial Audit Report, for the Financial Year 2021-22, which is attached herewith as **Annexure–'C'**.

With reference to the observations contained in the Secretarial Auditors Report, the Directors wish to state that the Notes on Accounts are self-explanatory and hence do not call for any further comments.

For the Financial Year 2022-23, Company has appointed M/s A. N. Jaiswal & Co., Practicing Company Secretaries (ACS No. 19000, CP No. 14629) of New Delhi, as Secretarial Auditors of the Company.

INTERNAL AUDITORS:

Pursuant to Section 138 of the Companies Act, 2013, Board has appointed Internal Auditors namely M/s Sarat Jain & Associates, Chartered Accountants, (Firm Regn. No. 014793C) of Noida (U.P.) for Sugar and Distillery units of the Company for the financial year 2022-23 as recommended by the Audit Committee of the Company.

CONSERVATION OF ENERGY:

The Company was declared a sick industrial unit within the meaning of Section 3(1)(o) of erstwhile the Sick Industrial Companies (Special Provisions) Act, 1985 vide BIFR order dated 14th March, 1991.

Since long no modernization of Plant & Machinery of the Units of the Company could be undertaken due to huge losses in the Company and non-availability of funds from Banks/Financial Institutions. However, the Management is making all possible efforts for the conservation of energy.

Company has implemented energy conservation measures for saving of quantitative consumption of power & fuel etc. Company has replaced some old lighting system with LED etc., adoption of more star rated electronic equipments, timely repairing & maintenance of electronic items.

During the year under review total expenses on power and fuel has been ₹ 277.63 Lac in comparison to previous year ₹ 249.76 Lac.

TECHNOLOGY ABSORPTION:

In the case of the three operating units, namely; Sugar, Distillery and Electrode there is no imported technology involved and there has not been any change in technology.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Company did not earn any Foreign Exchange during the year (previous year ₹ Nil) while Foreign Exchange outgo during the year amounted to ₹ 1,762.84 Lac (previous year ₹ 969.93 Lac).

COVID-19 PANDEMIC:

The manufacturing activities of the company were carried out in normal course with the adoption of enhanced safety, security and other required measures. There has been no material impact on the business of the company though the sale and movement of finished products was affected due to lockdown and continuous restrictions imposed by the Govt. of India to curve the spread of COVID-19.

POLLUTION CONTROL:

Relevant and necessary effluent treatment measures for control of water, air and environmental pollution are in place and steps have been taken to further strengthen and consolidate pollution control measures.

LABOUR RELATIONS:

The labour and management relations generally remained harmonious.

GENERAL:

The Company was declared as a 'Sick Company' and reference was pending adjudication before the Ld. AAIFR / BIFR. While the revival scheme of MIL was being considered by Ld. AAIFR, the Govt. of India vide notification bearing no.: S.O. 3568 (E) dated 25th November, 2016 repealed SICA with effect from 1st day of December, 2016 and all the proceedings pending under the SICA (including the proceedings qua MIL) stood abated.

In view of this, no impact is foreseen on the going concern status of the Company and the Company's operations in future.

No complaint during the year under review was received by the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

COMPLIANCE WITH SECRETARIAL STANDARD:

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India as approved by Central Government as required under Section 118(10) of the companies Act, 2013.

CAUTIONARY STATEMENT:

The Directors' report contains forward looking approach within applicable securities laws and regulations. The actual results inter-alia may differ materially from those expressed or implied, depending upon changes in global and Indian demand-supply conditions as well as changes in government regulations, tax regimes, economic and market developments, movements.

ACKNOWLEDGMENT:

The Directors wish to thank the Central Government, Government of Uttar Pradesh, Financial Institutions and the Company's Bankers for all the help and encouragement they extended to the Company. Your directors gratefully acknowledge the continued trust and confidence; they have placed in the Company. The Directors also wish to place on record their deep appreciation for the services rendered by the officers, staff and workers of the Company at all levels and for their dedication and loyalty.

**For & on behalf of the Board
For Modi Industries Limited**

**Umesh Kumar Modi
Chairman and Managing Director**

Place: Modinagar.

Dated: 16th November, 2022.

ANNEXURE-‘A’ TO DIRECTORS’ REPORT

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE AS REQUIRED AS PER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013:

1. COMPANY’S PHILOSOPHY

Modi Industries Limited (“MIL”), firmly believes in effective Corporate Governance practices and follow all the applicable laws in true and letter spirit. Corporate Governance is an ethically driven process that constitute the strong foundation on which successful commercial enterprise are built and enhancing the organization wealth generating capacity. The company also has a strong believe in fair, transparent and ethical governance practices.

The Company’s corporate governance philosophy is based on the following broad principles:

- Comply all applicable Laws in true and letter Sprit;
- Independence and bias free Board of Directors;
- Simple and transparent corporate structure for enhancing overall shareholder value;
- Delegation of decision-making authority with clearly defined roles, responsibilities and accountability.

2. BOARD OF DIRECTORS

(a) COMPOSITION OF BOARD:

As on 31st March, 2022, the Company has 10 Directors. Out of which one is Managing Director, five Non-executive and Non-Independent Directors, Two Non-executive and Independent Directors and two Directors nominated by M/s. SBEC Sugar Limited. The Independent Directors have confirmed that they satisfy the ‘criteria of independence’ as stipulated in Sec 149(7) of the Companies Act, 2013.

The Company did not have any material pecuniary relation or transaction with non-executive directors/ Nominee directors during the year under review.

(b) BOARD/ SHAREHOLDERS’ MEETINGS:

Pursuant to the requirement of Section 173 of the Companies Act, 2013, four Board meetings were held during the financial year under review on 28.05.2021, 21.07.2021, 09.11.2021 and 15.12.2021. The maximum gap between the two Board meetings did not exceed 120 days. Necessary quorum was present for all meetings. The attendance at the said Board meetings and at the last 87th Annual General Meeting held on 15.12.2021 and also number of other directorships are given herein below:

Name	Category	No. of Board meetings Attended	Attendance at previous AGM	No. of Directorship(s) in other Indian Public Limited Companies.
Shri Umesh Kumar Modi	MD	4	Yes	5
Shri Vinay Kumar Modi	NED	1	No	2
Smt. Kumkum Modi	NED	4	No	3
Shri Rakesh Kumar Modi	NED	4	Yes	-
Shri Abhishek Modi	NED	4	Yes	4
Shri Jayesh Modi	NED	2	Yes	4
Shri Anand Parkash Modi	NEID	4	Yes	-
Shri Jagdish Chander Chawla	NEID	4	Yes	4
Shri Vivek Singh	ND	4	No	-
Shri Rahul Chaudhary	ND	3	No	-

MD – Managing Director

NED- Non-Executive Director

NEID- Non-Executive Independent Director

ND – Nominee Director

(c) **BOARD PROCEDURE:**

The statutory and material information is placed before the Board with a view to enable it to discharge efficiently its responsibilities in formulating the strategies and policies for the growth of the Company. The agenda and other relevant papers are circulated prior to the scheduled dates of the meetings. The day to day affairs of the Company are looked by the Chairman and Managing Director of the Company. Opinion and advice of Non-Executive Directors/Independent Directors are considered valuable guidance. For specific matters, the various Committees of the Directors deliberate in detail, analyze situations, information and firm up views and advise the Board on decision making and follow up actions as may be considered appropriate.

(d) **RELATIONSHIP AMONGST DIRECTORS :**

As on 31st March, 2022, relationship amongst directors is that Shri Vinay Kumar Modi, Non-Executive Director and Shri Umesh Kumar Modi, Chairman and Managing Director are real brothers. Shri Umesh Kumar Modi, Chairman and Managing Director and Smt. Kumkum Modi, Non-Executive Director are husband and wife and Shri Abhishek Modi and Shri Jayesh Modi, Non-Executive Directors, are their sons.

3. **AUDIT COMMITTEE:**

(a) **Terms of Reference:**

The Audit Committee acts as a link between the Statutory and the Internal Auditors and Board of Directors. The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting process, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's Statutory and Internal Audit Activities. The powers, roles, delegation, responsibilities, and terms of reference of the Audit Committee are prescribed under Section 177 of the Companies Act, 2013.

(b) **Composition:**

Pursuant to Section 177(2) of the Companies Act, 2013, the Committee should consist of minimum three Directors as its members out of which majority of Directors shall be Independent Directors.

The Audit Committee of the Company, as on 31st March, 2022, consists of three members as mentioned below:

S. No.	Name	Designation
1.	Shri Rakesh Kumar Modi, Non-Executive Director	Chairman
2.	Shri Anand Parkash Modi, Independent Director	Member
3.	Shri Jagdish Chander Chawla, Independent Director	Member

During the year under review, five Audit Committee Meetings were held on 28.05.2021, 19.07.2021, 21.07.2021, 09.11.2021 and 15.12.2021. The attendance at the said Audit Committee Meetings is given herein below:

Sl.No.	Name of the Member	Category	No. of Audit Committee meetings attended
1.	Shri Rakesh Kumar Modi	NED	5
2.	Shri Anand Parkash Modi	NEID	5
3.	Shri Jagdish Chander Chawla	NEID	5

NED: Non- Executive Director

NEID: Non-Executive Independent Director

4. **NOMINATION AND REMUNERATION COMMITTEE AND REMUNERATION OF DIRECTORS:**

(a) **Terms of Reference**

The Company has a Board Committee namely "Nomination and Remuneration Committee" as required under Section 178 (1) of the Companies Act, 2013.

The Nomination and Remuneration Committee looks terms and conditions of appointment, remuneration and related matters of Managerial Personnel such as Whole Time Directors & Directors etc. Remuneration Committee recommends

the remuneration for Executive Directors to the Board of Directors for its approval and such remuneration is also subject to the approval of shareholders and such other approvals as may be required. In its recommendations, the remuneration committee considers parameters like performance and contribution, practices and norms and followed by companies of similar size and industry standards.

Further, pursuant to Section 178(1) of the Companies Act, 2013, the Committee should consist of three or more non-executive Directors as its members out of which not less than one half shall be Independent Directors.

The Nomination and Remuneration Committee of the Company, as on 31st March, 2022 consists of three members as mentioned below:

S. No.	Name	Designation
1.	Shri Rakesh Kumar Modi, Non-executive Director	Chairman
2.	Shri Anand Parkash Modi, Independent Director	Member
3.	Shri Jagdish Chander Chawla, Independent Director	Member

The Company does not pay any remuneration to the non-executive directors/nominee directors except payment of Sitting Fees for attending Board/ Committee meetings. During the year under review the meeting of Nomination and Remuneration Committee was held on 09.11.2021 which was attended by all its three Members mentioned above.

Nomination & Remuneration Policy of the Company is available on Company's Website www.modiindustries.net/policies-of-the-company.

Details of remuneration/sitting fees paid to the directors during the year under review are given below:

(a) **Executive Director**

No remuneration has been paid to Managing Director during the year under review.

(b) **Non-Executive Directors:**

Name	Sitting Fee (₹ in thousands)	Shares held	
		Equity	Preference
Shri Vinay Kumar Modi	10.00	25477	8
Shri Rakesh Kumar Modi	58.00	48901	10
Smt. Kumkum Modi	40.00	16526	-
Shri Abhishek Modi	40.00	100	-
Shri Jayesh Modi	20.00	100	-
Shri Anand Parkash Modi	58.00	100	-
Shri Jagdish Chander Chawla	58.00	100	-
Shri Vivek Singh (Nominee Director)	40.00	-	-
Shri Rahul Chaudhary (Nominee Director)	30.00	-	-

Performance Evaluation of Independent Directors

The details of the performance evaluation of Independent Directors are provided in the "Directors' Report" forming part of this Annual Report.

5. **STAKEHOLDERS RELATIONSHIP COMMITTEE**

(a) **Terms of Reference**

The Company has a Board Committee namely "Stakeholders Relationship Committee" as required under the provisions of Section 178 (1) of the Companies Act, 2013 to look into various issues relating to delay in transfers of shares, non-receipt of balance sheet, non-receipt of declared dividends/share certificates, dematerialization of shares, replacement of lost/ stolen/ mutilated share certificates, etc.

(b) **The Composition of Stakeholders Relationship Committee and details of the Meetings of the Committee held and attended during the year 2021-22**

The Stakeholder and Relationship Committee of the Company, as on 31st March, 2022, consists of four Members as mentioned below:

S. No.	Name	Designation
1.	Shri Rakesh Kumar Modi	Chairman
2.	Shri Umesh Kumar Modi	Member
3.	Shri Anand Parkash Modi	Member
4.	Shri Jagdish Chander Chawla	Member

During the year under review three meetings of Stakeholders Relationship Committee were held on 28.05.2021, 21.07.2021 and 09.11.2021. The attendance at the said Stakeholders Relationship Committee meetings is given here-in-below:

Sl.No.	Name of the Member	Category	No. of Stakeholders Relationship Committee meetings attended
1.	Shri Umesh Kumar Modi	MD	3
2.	Shri Rakesh Kumar Modi	NED	3
3.	Shri Anand Parkash Modi	NEID	3
4.	Shri Jagdish Chander Chawla	NEID	3

MD: Managing Director

NED: Non- Executive Director

NEID: Non-Executive Independent Director

Letters/Communication received directly from Debenture holders / Investors, or through SEBI and other authorities during the year under review, have been replied by the company and none remained outstanding at the end of the year under review. The status of Shareholders/ Debenture holders/Investors complaints received during the year under review were reported to the Stakeholders Relationship Committee by the Company Secretary.

6. **COMMITTEE OF DIRECTORS:**

The Committee of Directors consists of two members i.e., Shri Umesh Kumar Modi, Chairman and Managing Director and Shri Rakesh Kumar Modi, Non-Executive Director as on 31.03.2022.

During the year under review no meeting of Committee of Directors was held.

7. **MEETING OF INDEPENDENT DIRECTORS:**

A meeting of the Independent Directors without presence of Executive Director of Management was held on 09.11.2021 in the financial year 2021-22 to mainly review the performance of non-independent directors of the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between company management and the Board.

8. **VIGIL MECHANISM**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, the Company has a Whistle-Blower Policy and Vigil Mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation. The said mechanism also provides for adequate safeguards against victimization of the persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No employee of the Company was denied access to the Audit Committee. The said whistle blower policy and vigil mechanism has been hosted on the website of the Company at: <http://www.modiindustries.net/policies-of-the-company>.

No complaints were received under this policy during the year. No person has been denied to access the Chairman of the Audit Committee.

9. **GENERAL BODY MEETINGS:**

Location, Time and date of the last three Annual General Meetings are given below:

Financial year	Date	Time	Location of the meeting
2020-21	15.12.2021	12:30 P.M.	Auditorium, Dayawati Modi Public School, Modinagar 201204. Distt. Ghaziabad (U.P.)
2019-20	05.12.2020	12:30 P.M.	Auditorium, Dayawati Modi Public School, Modinagar 201204. Distt. Ghaziabad (U.P.)
2018-19	18.12.2019	12:30 P.M.	Modi Industries Transit House (Modi Industries Complex), Modinagar, Distt. Ghaziabad (U.P.) 201204.

No postal ballot was conducted during the Financial Year 2021-22. There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

9. **DISCLOSURES:**

There were no transactions of the company of material significance with its directors or the management or relatives during the year which may have potential conflict with interest of the company. There was no material non-compliance during the last three years by the company on any matters related to capital markets. Consequently, neither any penalties were imposed nor any strictures order passed on the company by Stock Exchanges, SEBI or any Statutory Authority. The company has generally complied with almost all the mandatory requirements of the Companies Act, 2013. As on date of Report, status of the Company is of an Unlisted Company.

10. **MEANS OF COMMUNICATION:**

Annual Report of the Company are being uploaded on the Company's website www.modiindustries.net and also other necessary information/ notice etc. is published in news paper, wherever required.

11. **GENERAL SHAREHOLDERS' INFORMATION :**

(a) **Annual General Meeting :**

Date : 20th December 2022.
Time : 04:00 P.M.
Venue : Auditorium, Dayawati Modi Public School
Modinagar, Distt. Ghaziabad (U.P.)

(b) **Financial Year :**

The financial year covers the period from April 01, 2021 to March 31, 2022 (Both days inclusive).

(c) **Date of Book Closure :**

14th December, 2022 to 20th December, 2022 (both days inclusive).

(d) **Dividend payment date :**

The Directors have not recommended any dividend on shares in view of accumulated losses.

(e) **Status of the Company:**

As on the date of Report, the status of the Company is of an unlisted Company.

(f) **Registrar and Transfer Agents (RTA):**

M/s Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi 110020 (Contact No. 011-26387281-82-83) have been appointed as Registrar and Share Transfer Agent (RTA) of the Company.

(g) **Share Transfer System :**

As on date of Report all transfer/transmission of equity shares and demat of equity shares related work is being handled by RTA of the Company, M/s Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi 110020. All transfers, transmissions of shares were processed and registered within the stipulated time. As on 31st March, 2022 no shares were lying pending for transfer.

(h) **Distribution of Shareholding as on 31.03.2022 :**

Distribution of shareholding	Number of		No. of Shareholders		%age of Shareholding	
	Equity shares of ₹ 10 each	Pref. shares of ₹ 100 each	Equity shares	Pref. shares	Equity shares	Pref. shares
Upto 500	634080	248	8818	20	19.16	0.61
501 - 1000	137584	-	214	-	4.16	-
1001 - 2000	99949	-	67	-	3.02	-
2001 - 3000	38325	-	15	-	1.16	-
3001 - 4000	19580	3520	6	1	0.59	8.64
4001 - 5000	33401	9005	7	2	1.01	22.10
5001 – 10000	89497	14344	12	2	2.70	35.21
10001 and above	2256798	13624	46	1	68.20	33.44
Total	3309214	40741	9185*	26	100.00	100.00

* Exclude 3 shareholders having same Permanent Account Number (PAN).

(i) **Dematerialisation of Shares and Liquidity :**

Pursuant to Notification of Ministry of Corporate Affairs, Government of India, New Delhi, dated 10th September, 2018, the persons, who intend to transfer of securities of unlisted Company, shall get such securities dematerialized before the transfer. Modi Industries Limited (MIL) as on date is an unlisted Company. Dematerialization of equity shares related work of the Company is being handled by RTA of the Company. ISIN of fully paid-up equity shares of the Company (MIL) is INE573D01012. Upto the end of the year under review 1047331 Equity shares out of 3309214 equity shares of the company were dematerialized.

(j) **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

During the year from April 1, 2021 to March 31, 2022 the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. At the end of March 31, 2022, no complaint was pending for redressal.

(k) **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on Equity :**

The Company has no GDRs/ADRs/or any convertible instrument.

(l) **Plant Location :**

At Modinagar,
District Ghaziabad (U.P.) 201204.

(m) **Address for Correspondence :**

Modi Industries Limited
Registered Office,
P.O. Modinagar,
District Ghaziabad (U.P.)
Pin 201204.

**PARTICULARS OF EMPLOYEES IN TERMS OF RULE 5(2) AND (3) OF COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014
(FORMING PART OF THE DIRECTORS' REPORT)**

(A) DETAILS OF TOP TEN EMPLOYEES OF THE COMPANY IN TERMS OF REMUNERATION PAID DURING FINANCIAL YEAR 2021-22

Sl. No.	Name	Designation	Nature of employment whether contractual or otherwise	Qualification	Experience (Years)	Date of commencement of employment	Total Remuneration (₹)	Age (Years)	Last employment before joining the Company	% of equity shares of the company held by the employee or manager of the Co.	Whether employee is a relative of any director or manager of the Co.
1.	Mr. Pallav Soin	Vice President- Sales & Marketing	Permanent	MBA-Marketing & Sales	23	01/05/2012	9,002,748	49	Modi Iliva India Pvt. Ltd.	-	-
2.	Mr. N.P. Bansal	Chief Executive	Permanent	C.A.	44	01/12/1977	4,009,113	72	-	-	-
3.	Mr. Prem Prakash	Finance Head	Permanent	C.A.	24	21/06/2017	3,250,188	51	Panchwati Group	-	-
4.	Mr. Bhupinder Aggarwal	Deputy General Manager	Permanent	MBA-Marketing & Sales	24	01/05/2012	2,834,736	48	Modi Iliva India Pvt. Ltd.	-	-
5.	Mr. Shailaditya Brahma	Asstt. General Manager (Instt. Sales)	Permanent	MBA-Marketing	30	01/06/2013	2,730,804	55	SBEC Sugar Limited	-	-
6.	Mr. Rajeev Gupta	General Manager Plant	Permanent	M.Sc. ALC (Tech)	27	02/12/2019	2,539,458	50	Plecadily Agro Industries Limited	-	-
7.	Mr. Ved Pal Singh Malik	Vice President	Permanent	B.Sc. Agriculture	41	08/06/2017	2,333,196	65	Mansoorpur Sugar Mills, Mansoorpur	-	-
8.	Mr. D.Srinivasan Reddy	Addl. General Manager (Engrm)	Permanent	B.Tech.(Mech)	25	07/08/2020	2,332,080	47	Dhampur Sugar Mills, Dhampur	-	-
9.	Mr. Mudappa Devia	Regional Sales Manager South	Permanent	MBA-Marketing & Sales	24	04/12/2017	2,284,212	43	Modi Iliva India Pvt. Ltd.	-	-
10.	Mr. Gaurav Khurana	Head Quality & System	Permanent	B.Tech	14	14/08/2008	2,173,860	40	-	-	-

**SECRETARIAL AUDIT REPORT
(FORM NO. MR. 3)**

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Modi Industries Limited,
Modinagar - 201204

UDIN-A019000D001764018

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Modi Industries Limited (CIN- **U15429UP1932PLC000469**) (hereinafter called the Company or **MIL**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 (Audit Period) generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (to the extent as applicable to the Company during the Audit Period);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings; (not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (not applicable to the Company during the Audit Period);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (not applicable to the Company during the Audit Period);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the clients; (Not applicable to the Company during the audit period);

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not applicable to the Company during the Audit Period), and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Regulations) Regulations, 2015. (Not applicable to the Company during the Audit Period).
- (vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/trading companies, the Management has specifically identified and confirmed the following laws as being specifically applicable to the company and its industrial units duly complied with:
- 1) Factories Act, 1948.
 - 2) The Payment of Wages Act, 1936.
 - 3) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
 - 4) All Labour laws and such Other incidental laws related to Labour and employees appointed by the Company either on its payroll or on contractual basis related to wages, gratuity, provident fund, ESIC, compensation, welfare etc.;
 - 5) Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder.
 - 6) Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975.
 - 7) Environment Protection Act, 1986 and the rules, notifications issued thereunder.
 - 8) State Excise Act.
 - 9) Industries (Development & Regulation) Act, 1951;
 - 10) Income Tax Act, 1961
 - 11) Finance Act, 1994 (Service Tax).
 - 12) Act, Rules and regulations made under GST Laws (CGST, SGST & IGST)
 - 13) State Laws governing Sales Tax/VAT. (applicable till 30th June, 2017)
 - 14) Food Safety And Standards Act, 2006.
 - 15) The U.P. Sugarcane (Regulation of Supply & Purchase) Act, 1953
 - 16) The Essential Commodities Act, 1955;
 - 17) The Sugar Cess Act, 1982 and the Rules made thereunder;
 - 18) The Sugar Development Fund Act, 1982 and the Rules made thereunder;
 - 19) The Sugar (Control) Order, 1966;
 - 20) The Legal Metrology Act, 2009
 - 21) Indian Electricity Act, 2003
 - 22) Drugs & Cosmetic, 1940 & Rules;
 - 23) Indian Boiler Act, 1923;
 - 24) Acts as prescribed under Shop and Establishment Act of various local authorities;
 - 25) Acts as prescribed by respective states and local authorities etc.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board Meetings and general meetings and adopted as per Section 205 of Companies Act, 2013.

- (ii) The Company was listed into U.P. Stock Exchange Limited, (UPSE) Kanpur and Delhi Stock Exchange Limited, (DSE) New Delhi. The SEBI had issued exit order of UPSE on 09th June, 2015 and also SEBI had de-recognized the DSE on 19th November, 2014 and issued Exit Order on 23rd January, 2017.

SEBI vide its circular No. CIR/MRD/DSA/5/2015 Dated 17th April, 2015 provided that the exclusively listed Companies (ELCs) which fail to obtain listing in any other nationwide stock exchange will cease to be a listed Company and will be moved to the Dissemination Board (DB) by the existing stock exchange.

In this respect of delisting, the Company has duly complied with SEBI Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016 and reasonably followed all the procedures, taken necessary steps, made due disclosures and submitted Reports and records to the Appropriate Authority which was in company's case it was NSE.

The NSE has removed the name of the company from the "List of Companies removed from Dissemination Board" and now the Company has turned into an unlisted public company as displayed on NSE website vide its circular no. NSE/CML/35701 dated 1st September, 2017.

Having become an unlisted public company, the Board of Directors have discontinued the compliances of procedures and disclosures as applicable to the listed companies.

- (iii) As regards compliance of other general laws, Competition Law, Environmental Laws and Financial Laws like Direct & Indirect Tax Laws and Customs Act, Intellectual Properties Laws (Patents, Copyright and Trademarks) and other laws as mentioned herein above etc. which have impact on/applicable to the Company or its Industrial Units, we have relied upon the representation given by the management.

During the period under review and as per the representations and clarifications made, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as specifically pointed out by the Management into the 'Notes to Accounts' forming part of Financial Statements as well as Directors' Report of Financial Year 2021-22.

We further report that earlier the Board of Directors of the Company is constituted with composition of Executive and Non-Executive Directors only. The Hon'ble Supreme Court in SLP (Civil) No. 23095-23097 of 2010 (M.K. Modi Vs. U.K. Modi) has passed an order dated 27th August, 2010 directing to maintain 'status quo' with regard to the management of the Company.

The Managing Directors of the Company (i.e., Mr. Umesh Kumar Modi and Mr. Mahendra Kumar Modi) were embroiled in multiple litigations over the years and because of the same, major brunt has been faced by the Company as the said inter-se dispute between them led to the inability of the Company to set up new business or revive or rehabilitate the existing units.

The Company was also unable to sale or mortgage its non-core assets to clear its liabilities and it even failed to avail credit facilities, which were announced by the Central / State Governments from time to time to aid the rehabilitation of the Company. This has led to a grave situation over a period of years wherein the liability of the Company has been rising due to ever piling on interest rates.

The 6 (six) units under the control and management of Mr. Mahendra Kumar Modi, gradually shut down starting since the year 1995 and the last 2 (two) units i.e. Paint & Electrode unit also closed down in the year 2016. The liabilities of entire Company (i.e., including the 6 units which were previously under the control of Mr. Mahendra Kumar Modi) are being paid by the units under the control of Mr. Umesh Kumar Modi in order to save the Company from going into liquidation.

The Company as on date have huge outstanding liabilities towards Various Creditors (including banks / Financial Institutions) who have initiated / threatening to initiate action under the Insolvency & Bankruptcy Code, 2016 and / or Recovery of Debts and Bankruptcy Act, 1993 and / or Securitization and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002, repercussions whereof are irreversible and there is an immediate need to liquidate the dues of all the creditors of the Company (including banks / Financial Institutions). The liabilities of the Company are mounting as a whole and apart from the increasing pressure of the Creditors (including banks / Financial Institutions).

In view of the aforementioned circumstances, a settlement had been arrived between Mr. Umesh Kumar Modi and Mr. Mahendra Kumar Modi with the assistance, support and intervention from the State Government of Uttar Pradesh, which played an important role in the settlement of inter-se dispute amongst Mr. Umesh Kumar Modi and Mr. Mahendra Kumar Modi. Post the settlement, Mr. Mahendra Kumar Modi has resigned from the post of Managing Director/Director of the Company on 09th September, 2020 and transferred all the shares held by him, his family members and group companies in favour of Mr. Umesh Kumar Modi.

Mr. Umesh Kumar Modi has been managing the affairs of the Company for the last four decades. Additionally, for the last few years, Mr. Umesh Kumar Modi has by himself ensured the survival of the Company exclusively as the other six units of the company which were under the control of Mr. Mahendra Kumar Modi have been permanently closed down.

Upon the resignation of Mr. Mahendra Kumar Modi, the Board by virtue of a circular resolution dated 09th September, 2020, had made Mr. Umesh Kumar Modi Incharge of affairs of all the nine (9) units (including the management and control of the six (6) units which were previously under Mr. Mahendra Kumar Modi) as well as the corporate office of the Company which was subsequently confirmed by the Board in its meeting dated 05th October, 2020. The Board also appointed him as Chairman of the Company in its meeting dated 05th October, 2020.

Additionally, the Company also appointed few Additional Directors as well as Independent Directors on the board of the Company by virtue of a circular resolution dated 09th September, 2020 which was subsequently confirmed by the Board in its meeting dated 05th October, 2020.

The appointment of Additional / New Directors as well as re-appointment of Mr. Umesh Kumar Modi as the sole Chairman and Managing Director of the Company was also approved by the Board and the members of the Company in its Annual General Meeting (AGM) held on dated 05th December, 2020.

The Central Government has also approved his appointment as Managing Director of the Company for a period of 5 years from the date of vacation / modification of the status quo order or 1/12/2020 under section 196 read with Clause (e) of Part I of Schedule V of the companies Act, 2013 subject to the outcome of I.A. No. 4634/2021 which was pending before Hon'ble Supreme Court of India for withdrawal of SLP No. (c) 23095-97/2010.

In this respect, the Hon'ble Supreme Court of India have allowed the withdrawal of SLP No. (c) 23095-97/2010 vide its Order dated 6th September, 2022 given in matter SLP (I.A. No. 4634/2021).

The following new Directors/Independent Directors had been duly inducted on the Board.

Sr. No.	Name of Directors	DIN	Designation	Date of Appointment
1	Mrs. Kumkum Modi	00522904	Director	11/09/2020
2	Mr. Jayesh Modi	02849637	Director	11/09/2020
3	Mr. Anand Parkash Modi	08865462	Independent Director	09/09/2020
4	Mr. Jagdish Chander Chawla	05316202	Independent Director	09/09/2020
5	Mr. Vivek Singh	02966881	Nominee Director	05/10/2020
6	Mr. Rahul Chaudhary	08905066	Nominee Director	05/10/2020

In view of the above, the Company had duly complied with the provisions relating with appointment of Independent & Women Directors. Therefore, the composition of Board of Directors and various Board Committees were in due compliance of the provisions of the Companies Act, 2013.

- (iv) After, the settlement made between Mr. Umesh Kumar Modi and Mr. Mahendra Kumar Modi, the Company had initiated the process of one-time settlement (OTS) of its long-standing dues of several Banks and Financial Institutions and had settled the several dues in order to release the original title deeds mortgaged with lenders as security of loan amount.
- (v) Adequate notice was given to all directors intimating schedule of the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings were carried out unanimously in general and duly recorded in the minutes of the meetings of Board of Directors or Committees thereof, as the case may be.

During, the year under review, the Company has duly to comply with the provisions of Section 173 read with relaxation granted in General Circular No. 08/2021 as issued by MCA on 03rd May, 2021 to hold two consecutive meetings of Board with a maximum gap of 180 days till 30th September, 2021.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had several ongoing events as described below and had bearing material effects on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. Since the net worth of Modi Industries Limited ('MIL') had eroded and become negative, therefore, in terms of the erstwhile Sick Industrial Companies Act, 1985 ('SICA'), MIL was declared as a 'Sick Company' and reference was pending adjudication before the Ld. AAIFR / BIFR. While the revival scheme of MIL was being considered by Ld. AAIFR, the Govt. of India vide notification bearing no.: S.O. 3568 (E) dated 25th November, 2016 repealed SICA with effect from 1st day of December, 2016 and all the proceedings pending under the SICA (including the proceedings qua MIL) stood abated.
2. With regard to payment of **Fixed Deposits**, as per Section 74 of the Companies Act, 2013, outstanding principal amount ₹60.86 Lacs of public deposits and outstanding interest amounting to ₹ 19.73 Lac due there on up to the date of maturity were transferred to Investor Education Protection Fund on 7th May, 2018 vide Challan No. U27569086. Thus, there is no liability of the Company towards deposit holders as on date.

Now Deposit Holders can claim their refund directly from IEPF Authority by filing form IEPF-5 and following the prescribed procedure given under the Companies Act, 2013 and rule made thereunder.

3. The Company, pursuant to the decision taken in Board Meeting held on 31.03.1986, had issued 2,27,960 12.5% partly convertible debentures of ₹ 250/- each. The convertible part of ₹ 50/- of each fully paid-up debenture was duly converted into 5 fully paid-up equity shares of ₹ 10/- each as per the terms of the issue and non-convertible portion of ₹ 200/- each debenture continued with MIL.

These debentures were required to be redeemed as per the condition no. v of the issue of the said Debentures (as well as Article – III, clause – v of the debenture agreement) deals with Redemption and the same clause is reproduced herein below:

"The Non-convertible part of ₹ 200 of each Debenture shall be redeemed at par in three annual instalments of ₹ 65/-, ₹ 65/- and ₹ 70/- at the end of 7, 8 and 9 years respectively from the date of allotment. The interest on the Debentures shall cease to accrue and shall cease to be payable from the dates of their redemption."

Since, the net worth of 'MIL' had eroded and become negative, therefore, in terms of the erstwhile Sick Industrial Companies Act, 1985 ('SICA'), MIL was declared as a 'Sick Company' and before any scheme could be finalised, the SICA was repealed. The financial position of MIL continues to be precarious, however, it is the continuing endeavor of the Company to liquidate all its liabilities and redeem the aforesaid Debentures in a reasonable time frame and through a practical mechanism, in due compliance of the law as the time being in force.

In this respect the Company had published the two times Public Notices in the Newspapers as mentioned below to inform the Debenture holders to get their matured debentures redeemed. Whereas, the Company had also sent personal letters to all the Debenture holders on 07th April, 2022 through Registered post informing them to get their matured Debentures redeemed within 20 days of publication of such Public Notice otherwise it will be transferred to IEPF. The details of the newspaper's notices are given herein below: -

Sr. No	Date of Publication of Public Notice	News Papers' Name	Language
First Notice	22/12/2020	Jansatta	Hindi
First Notice	22/12/2020	The Pioneer	English
Final Notice	08/04/2022	The Pioneer	Hindi
Final Notice	08/04/2022	The Pioneer	English

In pursuant to the aforesaid Public Notices and also the decision taken by the Board of Directors in its Meeting dated 12th April, 2022, the Company had transferred an amount of ₹5,25,98,836/- into designated account of the Investor Education and Protection Fund (IEPF), on dated 30th April, 2022 through Punjab National Bank, Parliament Street Branch, New Delhi vide SRN-X13283197. This is in due compliance of the provision of Section 125 of the Companies Act, 2013 and Rules made thereunder. The Amount transferred by the Company in IEPF account was ₹ 5,25,98,836/- comprising of ₹ 1,97,81,400/- for matured Debentures and ₹ 3,28,17,436/- for interest accrued on such matured Debentures upto the date of maturity as per Debenture Documents. The payment made by Company to IEPF through Punjab National Bank, Parliament Street Branch, New Delhi on 30th April, 2022 vide challan No. X13283197.

The details of the Debentures are given below:

Particulars	No. of Debentures
No. of Debentures Issued as on 31st March, 1986	2,27,960
No. of Debentures remained unpaid as on 31st March, 2021	1,60,823
No. of Debentures redeemed during FY 2021-22	2,026
No. of Debentures Redeemed during the Final Notice Period	478
Unclaimed Debentures transferred to IEPF Account	98,907#

Excluding 57,012- 12.5% Debentures of ₹200 each purchased by 3A Capital Services Limited in respect whereof it had issued a demand notice on 04.04.2019 inter-alia seeking redemption of the said Debentures. Thereafter, disputes had arisen between the Company and 3A Capital Services Ltd. regarding the said debentures and following cases have been filed by the Company and 3A Capital Services Limited against each other:

- Original Suit no. 144 / 2019 titled as Modi Industries Limited v. 3A Capital Services Limited before the Hon'ble Additional District Judge, Ghaziabad District Court, Ghaziabad, Uttar Pradesh;
- CP No. (IB) 517/ALD/2019 titled as 3A Capital Services Limited v. Modi Industries Limited before the Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj, Uttar Pradesh;
- Civil Revision No. 48/2021 titled as 3A Capital Services Limited v. Modi Industries Limited before the Hon'ble Allahabad High Court, Allahabad Bench, Prayagraj, Uttar Pradesh.

Further, in the current financial year the 3A Capital Services Limited entered into a settlement agreement with the Company and the company has settled their debentures dues.

#Since New India Assurance Company Limited has claimed their dues for the 12.5% 2400 Debentures, therefore, the Company didn't transfer the principal and interest due thereon upto the date of maturity in the Investor Education and Protection Fund.

- During the year under review the Company has received one Notice and petitions filed before Hon'ble NCLT, Allahabad, under Insolvency and Bankruptcy Code 2016 (IBC, 2016) and have some pending petitions for insolvency. Out of them, in some matters, the Company has settled for the operational dues with respective parties and arrived at a Settlement outside the Tribunal and parties amicably withdrew the petitions.

Sr. No.	Name of the Operational Creditors	Amount Claimed (in ₹)	Unit	Settlement Amount (in ₹)	Date of Settlement
1	Baburam Industries	16,87,225	Modi Arc Electrode Co. & Modi Paint & Varnish Co	10,00,000	22.01.2020
2	Vyankatesh Metals & Alloys Pvt Ltd	18,00,000	Modi Arc Electrode Co.	12,00,000	27.02.2020
3	3A Capital Services Ltd	8,49,47,881	Modi Industries Limited (Corpo-rate Office)	N.A.	Petition withdrawn
4	3A Capital Services Ltd	58,27,65,730	Modi Industries Limited (Corpo-rate Office)	N.A.	09.05.2022
5	Ganesh Enterprises	9,84,678	Modi Arc Electrode Co	5,00,000	11.01.2020
6	Noble Alchem Pvt. Ltd	34,60,524	Modi Arc Electrode Co	28,00,000	09.07.2018
7	Ultratech Cement Ltd	16,75,398 (+ 15% interest)	Modi Paint & Varnish Co	19,00,000	24.07.2018
8	Bansal Trading Company	6,60,977 (+ 18% interest)	Modi Arc Electrode Co.	7,00,000	24.07.2018
9.	Jayesh Industries Limited	52,53,300	Modi Arc Electrode Co.	35,00,000	02.11.2019

10.	Pradeep Metal Industries	5,02,432	Modi Paint & Varnish Co	Petition Dismissed Ex-parte	20.07.2021
11	Ganga Plasto Pack	19,46,617	Modi Arc Electrode Co.	14,02,561	20.04.2022
12	Apollo Extrusions Limited	1,02,95,652	Modi Arc Electrode Co.	N.A.	-

5. During the year under review with audit, there are delay in payment of Cane dues under UP Sugarcane (Regulation of Supply & Purchase) Act/ Rules (1953/1954).

We further report that during the audit period the company has not undertaken any major activities like;

- a) Public/Right/Preferential issue of shares/debentures/borrowing/ sweat equity/ ESOP etc.
- b) Redemption/ buy-back of securities
- c) Major decisions has not been taken by the members in pursuance to section 180 of the Companies Act, 2013
- d) Merger / amalgamation / reconstruction, etc.
- e) Foreign technical collaborations/Joint Ventures etc.

This report is to be read with our letter of even date which is annexed and forms an integral part of this report. It is advised that to ensure compliance of all applicable laws to the Company for good governance and as required by Secretarial Standards on Meetings of Board of Directors, a list of Laws applicable to the Company and status of compliance thereof be placed as an item of agenda at the first meeting of the Board in each of the financial year.

**For A. N. Jaiswal & Co.
Company Secretaries**

**Amar Nath Jaiswal
Proprietor
C.P. No. 14629**

**Date: - 16th November, 2022
Place: - Modinagar**

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Modi Industries Limited
Modinagar - 201204.

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The prevailing circumstances in the Country on account of Lockdown and global pandemic COVID-19 have impacted, to fair extent, on everything including verification of records and documents of the Company.

For A. N. Jaiswal & Co.
Company Secretaries

Amar Nath Jaiswal
Proprietor
C.P. No. 14629

Date: - 16th November, 2022
Place: - Modinagar

INDEPENDENT AUDITOR'S REPORT

To the Members of Modi Industries Limited

Report on the Audit of the Standalone Financial Statements

1. Adverse Opinion

We have audited the accompanying Standalone Financial Statements of Modi Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying Standalone Financial Statements do not give the information required by the Companies Act, 2013, as amended, ("the Act") in the manner so required and also do not give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its profit and its cash flows for the year ended on that date.

2. Basis for Adverse Opinion

- (A) The books of accounts, vouchers and other documents of the closed Steel Unit for the financial year 1992-93 were not made available to us and consequently audit could not be conducted in respect of the same. {Refer Note No. 27(4) of the Standalone Financial Statements}. Therefore, the attached Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement do not include: (a) the financial data / impact of working results and of declaration of closure / post-closure transactions, which includes sales and realization of depot sales / dues from debtors, provision / payment of final dues of employees and payments to various parties and manufacturing / personnel / administration expenses etc., of the Steel Unit for the year 1992-93 during which the Unit had operated for ten months the exclusion of which, in our opinion, substantially impairs the presentation of above Standalone Financial Statements of the Company especially in view of the fact that (i) the assets and liabilities of Steel Unit constituted 28% and 43% respectively of the total Assets & Liabilities of the Company as at 31st March, 1992 and the Income & Expenditure of the Steel Unit constituted 30% and 32% respectively of the total Income & Expenditure of the Company for the said year which resulted in a loss of Rs.787.22 Lac for the Steel Unit and (b) impact on Standalone Financial Statements on account of non-incorporation of transactions / balance sheets for the years 1993-94 to 2021-22 as stated in Note No. 27(4)(c) of the Standalone Financial Statements.
- (B) Further to our observations in paragraph 2(A) above, we report:
- i. Understatement of accumulated losses on account of non-incorporation of operational / working results / interest expense / declaration of closure and post closure transactions of Steel Unit for the year 1992-93 and on account of non-provision of interest on loans taken / doubtful debtors / loan and advances for subsequent periods till 31st March, 2022 which also resulted in mis-statement of assets and liabilities as on 31st March, 2022, amount / impact not ascertained. {Refer Note No. 27(4) of Standalone Financial Statements and Paragraph 2(A) above}.
 - ii. No physical verification of inventories and property, plant & equipment etc. in closed Steel Unit was conducted since 1991-92 as stated in Note No. 27(4)(f)(vii) of the Standalone Financial Statements. In the absence of details of quantity and value of opening inventory appearing in the books of account and non-classification of sale of scrap into inventories and property, plant and equipment, the sale value of scrap during the year of Rs.298.20 Lac has been allocated on an estimated / adhoc basis between sale of inventory Rs.198.20 Lac and sale of building as scrap Rs.100 Lac whereas till 31st March, 2021, entire amount of sale of scrap was treated as sale of inventory and reduced from value of inventory. Accordingly, value of inventory estimated at Rs.105.56 Lac reduced from stock(reduction in inventory and sale of inventory as scrap upto 31st March, 2021 was Rs.1,164.21 Lacs each) and depicted Rs.105.56 Lac as "opening finished goods stock charged to revenue" in Note No. 24 of 'Other Expenses' and written down value of building reduced by Rs.6.57 Lac. Impact on account of adoption of estimated / adhoc basis of allocation on Standalone Financial Statements can't be ascertained.
 - iii. Amount of impairment loss, if any, has not been ascertained by the management in respect of assets of Sugar Unit as stated in Note No. 27(35).
 - iv. Componentization of property, plant & equipment and ascertaining useful life and original cost / estimated value of such components as on April 01, 2015, as required by the amended Schedule II of the Companies Act, 2013, is pending. Impact, if any, on the depreciation expense for the 7 years period ended 31st March, 2022 has not been ascertained. [Note No. 27(40)].

- v. Non-provision of interest, amount unascertained, on overdues of Micro, Small and Medium Enterprises as stated in Note No. 27(15).
- vi. (1) Non-provision of late payment surcharge / recovery charges Rs.302.66 Lac (Previous year Rs.302.66 Lac) {Note No. 27(10)};
- (2) Non-provision of ESI demand Rs.71.70 Lac (previous year Rs.70.53 Lac) {Note No. 27(11)};
- (3) Non-provision of simple, penal and compound interest of Rs.50,473.61 Lac (for the year Rs.6,964.88 Lac) on term borrowings, Rs.1,857.99 Lac on debentures {Note No. 27(19)(a &b)} and interest / bank charges Rs.10,445.98 Lac (for the year Rs.1,494.26 Lac) on cash credit from banks {Note No. 27(19)(d) & (e)};
- (4) Non-provision of Wages Rs.27.46 Lac (Previous year Rs.27.46 Lac) for the lock-out period {Note No. 27(22)};
- (5) Non-provision of recovery charges of Rs.413.50 Lac (Previous Year Rs.413.50 Lac) for sugar season 2007-08. {Note No. 27(34)(c)}.
- (6) Non-provision of interest aggregating to Rs.8,271.76 Lac on cane arrears for sugar seasons 2018-19 to 2021-22. {Note No. 27(34) (g to j)}.
- (C) Confirmation of debit and credit balances as on 31st March, 2022 of trade receivables, trade payables, other creditors and lenders including of assignees of debt and of certain banks are not being obtained since long. Impact of non-confirmation of balances on Standalone Financial Statements can't be ascertained at this stage. {Note No. 27(27)}.
- (D) We further report that, without considering items mentioned at paragraphs 2(A),(B)(i) to (v) and (C) above, the possible effects of which could not be determined, had the observations made by us in paragraph 2(B)(vi) above been considered, the profit for the year of Rs.460.91 Lac would have been converted into loss of Rs.71,403.75 Lac, accumulated losses in Note No. 2 would have been Rs.99,312.36 Lac (as against the reported accumulated losses of Rs.27,447.70 Lac) and current liabilities would have been Rs.1,27,506.57 Lac (as against the reported figure of Rs.55,641.91 Lac).
- (E) Our audit observations under sections 143(1) & 186 of The Companies Act, 2013 are as under:
 - (i) The Company had given unsecured interest free security deposits amounting to: (i) Rs.1,100 Lac during May 2011 against temporary possession of 59 houses to Ashoka Mercantile Limited ("AML"), a related party till 9th September, 2020 and (ii) Rs.147.63 Lac during the earlier years against temporary possession of 9 houses to Modipon Limited ("MPL"), also a related party till 9th September, 2020 {Refer Note No. 27(7 & 9)}. The outstanding amounts as on 31st March, 2021 in the books of account of CAD of Rs.542.58 Lac in respect of AML and MPL has been written off in financial year 2020-21 on incorporation of financial statements of previous years of 3 Units and CAD in financial year 2021-22 as stated in foot-note 1 of Note No. 27(9)(b).
 - (ii) As stated in Note No. 27(38), short term unsecured interest free advance amounting to Rs.30 Lac given to a company during the year 2017-18 is not in compliance with the provisions of section 186 of the Companies Act, 2013.

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

3. Material Uncertainty related to Going Concern:

The Company was incurring losses for a long period of time till financial years 2019-20 (losses for the nine years i.e. 2011-12 to 2019-20 amounted to Rs.22,183.98 Lac), accumulated losses of Rs.27,447.70 Lac as on 31st March, 2022 which are far in excess of paid-up equity capital & reserves (excluding revaluation reserve) of Rs.991.68 Lac as on that date and the Company's current liabilities as per the financial statements as on 31st March, 2022, which also includes substantial amount of cane grower's dues (excluding un-provided interest on cane arrears upto 31st March, 2022), exceeds its current assets as per the Standalone Financial Statements as on 31st March, 2022 by Rs.19,248.20 Lac. In our opinion, these events / conditions along with our observations in paragraph 2(A) above and substantial amount of arrears of cane grower's dues casts doubt on the ability of the company to continue as a going concern. However, various steps as stated in Note No. 27(18), inter-alia sale and lease of unproductive assets, revival of closed Electrode Unit and improvement in results of working Units during previous 2 years, are now being taken by the management to ensure that the Company remains a going concern.

4. Emphasis of Matter

We draw attention to:

- (i) Note No.27(9) regarding incorporation of financial statements of the Electrode, Paint and Gas Units and of Central Accounts Department of these 3 Units ("CAD") for the financial years 2016-17 to 2021-22 during the financial year ended March, 2022. Therefore, the attached Standalone Financial Statements includes the financial data / impact of working results and of declaration of closure / post-closure transactions of these Units & CAD for the years 2016-17 to 2021-22.
- (ii) Note No. 27(32) regarding entering into agreements to sell 215 residential quarters and Note No. 27(33) regarding entering into lease agreements, including perpetual leases, MOUs for sale of land and buildings for which the approval of certain lenders, to whom these quarters and land & buildings are mortgaged, is pending.
- (iii) Note No. 27(20)(a) regarding reasons for not making provision for disputed Sales-tax demand of Rs.2,455.78 Lac excluding interest of closed Vanaspati Unit.
- (iv) Note No. 27(34)(a), (d) to (f) regarding demands of recovery charges of Rs.5,758.47 Lac (previous Year Rs.5,758.47 Lac) received on account of non-payment of cane price / commission / interest as these are disputed by the company / obtained stay order as stated therein. Further, demands of recovery charges of Rs.3,458.25 Lac for sugar seasons 2018-19 & 2019-20 has been received which, in the opinion of the management is not payable in view of the reasons stated in Note No. 27(34)(k) & (l). We also invite attention to Note No. 27(37)(f) regarding non-provision of interest for sugar seasons 2013-14 to 2015-16 amounting to Rs.6,280.51 Lac (previous year Rs.6,280.51 Lac) where order of cane commissioner in this regard is still awaited.
- (v) Note No.27(26) regarding accounting records including supporting documents for the period 1st April, 2019 to 13th July, 2019, financial year 2018-19 and certain previous financial years which got destroyed / damaged in the fire on 13th July, 2019 in the office premises and records room of Sugar and Distillery Units of the Company. Accordingly, we were unable to obtain and evaluate audit evidence during audit for financial years 2018-19 & 2019-20 such as purchase invoices, bills, contracts etc., to be able to test check and draw reasonable conclusion on those supporting evidences / transactions which got destroyed / damaged in fire as the management is yet to reconstruct these supporting documents.
- (vi) Note No. 27(28)(xii)(b) regarding Custodian of Enemy Property for India vesting various pieces of land of the Company situated in Modinagar wherein the Company has filed its representation before the Custodian and the matter is pending for adjudication.

Our opinion is not modified in respect of the matters mentioned in paragraph 4 above.

5. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, Corporate Governance and shareholders information and does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, the figures appearing in the other information don't incorporate figures of Balance Sheets of Steel Unit as on March 31, 2021 and March 31, 2022 and (ii) non-provision for certain expenses. We have concluded that the other information to the extent it relates to financial results in the Director's Report and its Annexures is mis-stated due to non-incorporation of financial statements of Steel Unit of the Company and non-provision of certain expenses.

6. Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate

accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

7. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

8. Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditors' Report) Order, 2020 issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Companies Act, 2013, as amended, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in Annexure 1a Statement on the matters specified in paragraphs 3 and 4 of the said order except for certain matters relating to: (a) Steel Unit of the Company in view of non-availability of information / details on account of non-

incorporation of: (i) financial statements of the Steel Unit for the year 1992-93 and (ii) Balance Sheets for the years 1993-94 to 2021-2022 as stated in Note No. 27(4)(c) and (b) Electrode, Paint and Gas Units and of CAD for five years i.e. 2016-17 to 2020-21 incorporated in the Standalone Financial Statements of the Company during the current financial year. {See Paragraph 2(A) above and Note No. 27(9)}.

(ii) As required by section 143(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except in respect of Steel Unit as mentioned in paragraph 2 (A) and 2(B) (ii) above. In case of Steel Unit, no details, information and explanations are available for the opening and closing assets and liabilities as on 1st April, 2021 and 31st March, 2022 respectively and for contingent liabilities and additional information etc. as on 1st April, 2021 and 31st March, 2022 in view of non-incorporation of: (i) the financial statements of Steel Unit for 1992-93 and (ii) Balance Sheets for the financial years 1993-94 to 2021-22 as stated in Note No.27(4)(c). {See paragraph 2(A) above}.
- b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books except: (i) in respect of Steel Unit, where audited balances of opening and closing assets, liabilities, contingent liabilities and additional information etc. as on 1st April, 2021 and 31st March, 2022 respectively were not available and consequently not incorporated in the books of account {Refer Note No. 27(4)} and (ii) for the effects of other matters described in paragraphs 2(B),2(C)and 3 in the 'Basis for Adverse Opinion' section of our report above.
- c. The Standalone Balance Sheet referred to in this report is in agreement with the books of accounts of all units and accounting centres taken together (other than Steel Unit) as on 31st March, 2022 as consolidated with the Balance Sheet of Steel Unit as stated in Note Nos. 27(4) (c) & (d) of the Standalone Financial Statements and hence is not in agreement with the books of account of the Company as a whole. Further, the Standalone Cash Flow Statement for the year ended on that date, which does not include adjustments for Cash Flows from investing / financing activities and changes in assets and liabilities in view of non-availability of audited Balance Sheet of Steel Unit as on 31st March, 2021 & 31st March, 2022 and not disclosing Cash Flows from investing / financing activities of discontinuing operations separately, is also not in agreement with the books of account. (Refer foot-note 1 of Cash Flow Statement). In view of non-incorporation of Statement of profit and loss of Steel Unit for the year 1992-93, the Statement of Profit and Loss is not in agreement with the books of accounts.
- d. Subject to our observations in paragraph 2 above and 8(ii)(c) above, in our opinion, the Statement of Profit and Loss and Balance Sheet, so far as they relate to the remaining units i.e. other than Steel Unit, comply with the requirements of the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. However, in view of non-availability and consequently non-incorporation of audited (i) opening and closing balances as on 1st April, 2021 and 31st March, 2022 respectively of assets, liabilities, contingent liabilities and other additional information etc. and (ii) Statement of Profit and Loss for 1992-93 of Steel Unit {Refer Paragraph 2(A) above}, the aforesaid Standalone Financial Statements do not comply with the requirements of Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 for the Company as a whole.
- e. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements, so far as they relate to the remaining Units i.e. other than Steel, give the information required by the Act in the manner so required except for: (i) non-disclosure of part information relating to micro, small and medium enterprises {Refer Note No. 27(15)}, (ii) non-disclosure of transactions with struck off companies, if any, under section 248 of the Act and (iii) non-disclosure of cash flows from investing and financing operations in case of discontinuing operations separately. In the case of Steel Unit, in view of non-incorporation of Balance Sheets of Steel unit as on 31st March, 2022 and 31st March, 2021 on account of non-availability and consequently non-incorporation of audited opening balances as on 1st April, 2021 and 1st April, 2020 respectively of assets, liabilities, contingent liabilities and other additional information etc., the Standalone Financial Statements of the company do not give the information required by the Companies Act, 2013 in the manner so required for the Company as a whole. {Refer Note No. 27(4)}.
- f. The matters described in the Basis for Adverse Opinion section and Emphasis of matter section of our report above, in our opinion, will have an adverse effect on the functioning of the Company.
- g. On the basis of the written representations received from the directors as on 31st March, 2022, taken on record by the Board of Directors, none of the directors is disqualified, as on 31st March, 2022, from being appointed as a director in terms of Section 164(2) of the Act.

Further, the company was legally advised earlier that provisions of Section 274(1)(g) of the Companies Act, 1956, which corresponds to section 164(2) of the Companies Act, 2013, are prospective in nature and the defaults made by it prior to 13th December, 2000, for non-redemption of debentures on due dates, are not covered by Section 164(2) of the Companies Act, 2013, on which we have relied upon.

- h. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the 'Basis for Adverse Opinion' section of our report above.
- i. With respect to the adequacy and the operating effectiveness of internal financial controls over financial reporting with reference to these Standalone Financial Statements of the Company, refer to Annexure 2.
- j. No managerial remuneration has been paid or provided during the year. Accordingly, the provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable.
- k. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Subject to our observations in paragraph 2 (A) above, the Company has various pending litigations which could impact its financial position and the same has been suitably disclosed under Contingent Liability and Notes to Accounts under Note No. 27.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. Amounts of unclaimed debentures and interest accrued to be transferred to Investor Education and Protection Fund ("IEPF") has been quantified at Rs.525.99 Lac and deposited with IEPF by the Company in April 2022.
 - iv. (a) The Company has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to any persons or entities, including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The Company has represented that no funds have been received by the Company from any persons or entities, including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party "Ultimate Beneficiaries" or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(c) Based on such audit procedures that we have considered appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made to us under paragraphs (iv)(a) and (b) above contain any material mis-statement
- v. No dividends was paid during the financial year. Accordingly, compliance with provisions of section 123 of the Act is not applicable

For **P.R. Mehra & Co**

Chartered Accountants
(Firm's Registration No. 000051N)

Laxman Prasad
(Partner)

Membership No:013910
UDIN:22013910BDGTIC9267

Place:Modinagar
Dated: 16th November, 2022

Annexure 1 to the Independent Auditors' Report

Annexure referred to in our report of even date to the members of Modi Industries Limited on the Standalone Financial Statements for the financial year ended 31st March, 2022

As required by the Companies (Auditors' Report) Order, 2020 and on the basis of such checks as were considered appropriate and according to the information and explanations given to us, we further report as under:

- (A) The following matters reported at paragraphs {(B) (i, iii to v), (vii) (a)(ii)&(b), ix, xi, xiii, xv and xix} do not cover matters relating to closed Steel Unit of the company since: (i) the financial statements of the Steel Unit for the year 1992-93 have not been prepared and incorporated and consequently the audit of the same has not been carried out and (ii) the Balance Sheets of Steel Unit for 1993-94 to 2021-22 have not been incorporated in the respective financial years due to non-availability of audited opening balances as on 1st April, 1993. {Refer Note No. 27(4) and paragraphs 2(A) of our audit report on Standalone Financial Statements}.

The following matters also do not cover matters relating to closed Electrode, Paints and Gas Units and of CAD of the company even though the financial statements of these units and CAD for 5 years ended 31st March, 2021 have been prepared and incorporated during the current financial year.

- (B) Subject to our comments in paragraph (A) above, we further report as under:
- (i) (a) A. Company's Sugar Unit since inception and other Units since November 1968, have generally maintained proper records including quantitative details and situation of their major Property, Plant and Equipment except for: (i) locations in case of furniture and fixture and (ii) recording of additions / deletions of certain previous years;
- B. The Company is maintaining proper records showing full particulars of intangible assets;
- (b) No physical verification of Property, Plant and Equipment have been conducted by the Management since 1989 in Sugar and Distillery Units, since 2001-02 in respect of Electrode, Paint and Gas units and of CAD and since long in case of closed Units and Corporate Office;
- (c) We are informed that the original title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) of the company are mortgaged with the lenders by deposit of these title deeds. Confirmation of lenders stating that the title deeds are held in the name of the company as on March 31, 2022 not received. Accordingly, we are unable to comment / provide disclosures on the same. Further, as stated in Note No. 27(28)(xii)(b), Custodian of Enemy Property for India vested various pieces of land of the Company situated in Modinagar and the Company has filed its representation before the Custodian and the matter is pending for adjudication;
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year. Accordingly, clause 3(i)(d) of the Order is not applicable to the Company;
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- (ii) (a) The inventory of the company has been physically verified at reasonable intervals by the management and the coverage and procedure of such verification by the management is appropriate except for no physical verification of inventory of closed Units and inventory of stores and spare-parts of all the units. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed;
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no working capital limits were sanctioned to the Company during the year by banks and financial institutions;
- (iii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies or firms, Limited Liability Partnerships or any other parties during the financial year 2021-22. Accordingly, provisions of clause 3(iii) of the Order is not applicable to the Company;

- (iv) In view of our observations in paragraph (iii) above in respect of loans, investments, guarantees and security, the compliance with the provisions of section 185 and 186 of the Companies Act are not applicable for the financial year 2021-22;
- (v) The Company has not accepted any deposits or any amounts which are deemed to be deposits from the public. However, as stated in Note No.27(23), Rs.906.41 Lac (Balance outstanding as on 31st March, 2022 Rs.667.02 Lac which was also fully repaid as on date) received by the Company from individuals and other non-corporate entities under sale bills discounting are not being considered / treated and disclosed as deposits by the Company. This being a legal issue, we are of the opinion that the Company should obtain a legal opinion from an expert on the nature / treatment to be given to these amounts in the books of account.;
- (vi) The Central Government has prescribed maintenance of cost records by the Company in respect of manufacture of Sugar and Distillery Units of the Company and such accounts and records have been made and maintained based on our preliminary examination of these records;
- (vii) (a) Except for following cases, the company was regular in depositing with the appropriate authorities undisputed statutory dues during the current financial year:
- (i) There were delays in deposit of GST dues for the months of April and May 2021 in Distillery and Steel Units and CAD. TDS and TCS dues were also deposited with few delays for certain months in Sugar & Distillery units of the company. Regarding PF (Electrode Unit, Corporate Office and CAD) and EPS (Electrode, Sugar & Distillery Units), there were certain delays for deposits of 2 months, VAT dues of 6 months were deposited late by certain depots of Modi Distillery.
- (iii) On the basis of such checks as were considered appropriate and according to the information and explanations given to us, Statement of Arrears of unpaid undisputed Statutory Dues (excluding of Steel Unit) outstanding for more than six months as on 31st March,2022 as per books of account are as under

Nature of dues	(Rs.in Lac)
U.P. Trade Tax/CST/VAT	1,204.33
Commission on Cane purchases	436.72
Interest on Provident Fund/EPS	83.62
ESI	2.10
Tax deducted at source (Including interest on dues)	28.58
Service-tax	13.07
Excise-duty	38.38
GST	43.75

- (b) According to the records of the company and based on information and explanations furnished to us, the following custom duty, Excise duty, Income-tax and value added tax / sales-tax dues (excluding unascertainable amounts and disputed dues of closed Steel Unit for the period 1992-93 to 2021-22) were not deposited on account of disputes pending at various forums:

Name of statute	Nature of the dues	Amount of dues (RS. in Lac)	Amount deposited Under protest	Period to which the amount relates	Forum where disputes is pending
U.P. VAT Act	VAT Tax, Penalty, Interest, Exemption to New Units.	2732.96	18.35	1982-83 to 1984-85,1987-88, 1990-91 & 1991-92, May 91 to March 96	Allahabad High Court.
	VAT Tax and Penalty	@ 165.16	113.58	1952-53, 1981-82, 1984-85 to 1986-87, 1988-89, 1992-93, 2000-01 to 2001-02, 2007-08	Commercial Tax Tribunal, Ghaziabad

	VAT Tax and Penalty	362.78	138.67	1986-87, 1994-95 to 99-2000	Joint Commissioner (A), Ghaziabad.
	VAT Tax	133.67	-	1986-87, 1988-89, 2001-02, 2003-04, 2005-06	Deputy Commissioner. (Assessment), Modinagar.
	Penalty under VAT Tax	4.37	0.45	2008-09	Trade Tax Tribunal, Ghaziabad
Central Sales Tax Act	Central Sales Tax,	96.72	3.53	1986-87, 1992-93, 1997-98 and 2000-01	Commercial Tax Tribunal, Ghaziabad.
	Central Sales Tax,	50.25	9.68	1994-95 to 1996-97 and 1999-2000	Joint Commissioner Sales Tax, Ghaziabad
	Central Sales Tax	6.76	-	1997-98, 2005-06	Deputy Commissioner (A), Modinagar
State Sales Tax Act	State Tax	10.56	0.20	1992-93	Additional Commissioner, Sales Tax, Delhi.
	Sales Tax	5.97	2.00	1985-86, 1997-98, 2002-03, 2004-05 & 2005-06	State Tax
	Sales Tax	0.82	0.05	2014-15	State Tax
	Penalty (HGST)	0.30	-	1991-92	Tribunal Sales Tax, Chandigarh.
	State Tax	15.79	1.79	1989-90 to 1993-94, 1998-99 and 2006-07	Deputy Commissioner (A), States
Central Sales Tax Act (States)	Central Sales Tax	1.92	0.29	1988-89 to 1992-93.	Appellate Authority/ DC (Appeals), Delhi
Central Excise & Custom Act	Custom Duty	* 43.91	-	1.3.2001 to 25.4.2001	Civil Court Ghaziabad
	Excise Duty	0.70	-	2002-03 and 2003-04	Supreme Court of India
	Excise Duty	70.40	-	2008-09 to 2012-13	Commissioner (Appeals), Meerut
Central Excise & Custom Act	Excise Duty	167.43	50.00	1985-86	Delhi High Court
		0.49	0.25	2004-05	Allahabad High Court
		0.74	0.20	1996-97	Commissioner of Central Excise, Ghaziabad
		**56.66	-	February 1981 to February, 1987, October 2002 to January 2005	CESTAT
		5.00	-	Information not available.	Information not available.
		6.34	6.34	2009 onwards	Supreme Court of India
Sale tax and entry tax Act	Sale tax & entry tax	1,959.28	-	2015-16	Dy Commissioner (A), Modinagar & Addl. Commissioner (Appeal), Ghaziabad.
Sale tax Act	Tax on sale of molasses	236.85		2011-12, 2012-13 and 2013-14	Demand stayed by Allahabad High Court

@ Provided for Rs.82.60 Lac in the Accounts

*Provided for in the Accounts.

**Provided for Rs.32.20 Lac in the Accounts

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 (43 of 1961) as income during the year;
- (ix) (a) The Company has defaulted in repayment of dues to Financial Institutions, banks and debenture-holders of the Company. The details of defaults as per books of account of Sugar, Distillery Units and of Corporate Office and period of defaults are as under:

(Rs. in Lac)

Particulars	Loan Amount	Interest excluding unprovided interest {Note No. 27(19)}	Total dues*	* Period of default of principal amount
Loan from banks* (Allahabad Bank)	40.55	17.61	58.16	Entire amount over due. Refer Note No. 27(19) (c).
Debentures	329.60	573.44	903.04	Rs.12Lac due since August, 1990&Rs.317.60Lac due since February, 1995 to February, 1997.
Loan from Financial Institutions*	53.10	54.63	107.73	Prior to year 2000
Government of India (Housing)	8.08	6.43	14.51	Prior to year 2000
Total	431.33	652.11	1,083.44	

* excluding amounts relating to loans of banks and financial institutions assigned to SBEC Sugar Limited and TC Healthcare Limited as terms of interest and repayments including One-time settlement of dues are yet to be decided. Refer Note No. 27(5) regarding assignment of debts by bank and financial institutions.

- (b) The Company had taken loans from bank and financial institutions in the past and certain such loans are overdue as on date. No information available regarding wilful defaulter status for the past years. However, the Company has confirmed that no such status has been received by the Company during the current financial year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable;
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that funds raised on short-term basis during the year were not applied for long term purposes by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable;
- (e) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not taken any funds from any entity or person on account or to meet the obligations of its joint-venture. Accordingly, clause 3(ix)(e) of the Order is not applicable;
- (f) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not raised loans during the year on the pledge of securities held in its joint-venture. Accordingly, clause 3(ix)(f) of the Order is not applicable;
- x. The company has not raised any money by way of Initial Public Offer or further public offer (including debt instruments) during the year. Further, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, clause 3(x)(a & b) of the Order is not applicable to the Company;
- xi. a. According to the information and explanations given to us by the Company, no fraud by the Company or any fraud on the Company has been noticed or reported during the year;
- b. No report has been filed by us under sub-section (12) of section 143 of the Companies Act during the year in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- c. We are informed by the Company that no whistle-blower complaints were received during the year;
- xii. The Company is not a Nidhi company. Accordingly, provisions of paragraph 3(xii) of the Order is not applicable to the Company;
- xiii. The Company contends that all transactions with related parties including leasing / sale of land and buildings (previous year sale of investments in two subsidiaries as stated in Note No. 27(30)(B)(ii)) are done in its ordinary course of business on an arm's

length basis and are approved by Audit Committee of the Board and accordingly approval of shareholders was not obtained for these transactions with related parties and hence these transactions are covered under the 4th proviso of section 188(1) of the Companies Act, 2013. Accordingly, the provisions of section 188(1) of the Act don't apply to these transactions which was supported by the legal opinion obtained by the Company in this regard. Subject to the foregoing, the company has complied with the provisions of Sections 177 and 188 of the Companies Act, 2013 with respect to the transactions with the related parties.

Details of the transactions with the related parties have been disclosed in the Standalone Financial Statements as required by the applicable Standards on Auditing.

- xiv. Internal Audit system exists in case of Sugar and Distillery Units which, in our opinion, needs improvement in terms of coverage, closing entries etc. to make it commensurate with the size and nature of its business. However, there is no internal audit system in respect of other Units and Corporate Office. Reports of Internal auditors for the period under audit were considered by us.
- xv. The Company has not entered into any non-cash transactions with the directors or persons connected with him.
- xvi. The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. The Company has not conducted any Non-Banking Financial or Housing Finance activities. The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India.
- xvii. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year;
- xviii. There was no resignation of statutory auditors during the year. Accordingly, provisions of paragraph 3(xviii) of the Order is not applicable to the Company;
- xix. According to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, in our opinion, in view of payment of dues of cane growers with delays along with our observations in paragraph 3 of audit report, generally the Company may not be able to meet its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts upto the date of the audit report;
- xx. In view of negative average profits during the immediately preceding three financial years, provisions of section 135 of the Act is not applicable to the Company. Accordingly, provisions of clause 3(xx) of the Order is not applicable to the Company.

For P.R. Mehra & Co

Chartered Accountants
(Firm's Registration No. 000051N)

Laxman Prasad
(Partner)

Membership No:013910

Place: Modinagar

Dated: 16th November, 2022

ANNEXURE “2” TO THE INDEPENDENT AUDITOR’S REPORT OF MODI INDUSTRIES LIMITED FOR THE YEAR ENDED 31st MARCH, 2022

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting with reference to Standalone Financial Statements of Modi Industries Limited (“the Company”) as of 31st March, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

1. Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

2. Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls over financial reporting with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to these Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to these Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Standalone Financial Statements.

3. Meaning of Internal Financial Controls over financial reporting with reference to these Standalone Financial Statements

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

4. Inherent Limitations of Internal Financial Controls over financial reporting with reference to Standalone Financial Statements

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

5. Disclaimer of Opinion

According to the information and explanations given to us, the company has neither established nor evaluated its internal financial controls over financial reporting with reference to the financial statements on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Mainly because of this reason and also our comments in paragraph 2 of statutory audit report of even date on Standalone Financial Statements of the company, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal financial controls over financial reporting with reference to the financial statements and whether such internal financial controls were operating effectively as at 31st March, 2022.

However, according to the information and explanations given to us and based on our audit of the Standalone Financial Statements, the following material weaknesses have been noticed as at 31st March, 2022 for which remedial action by the management is yet to be initiated:

- a) The books of accounts, vouchers and other documents of the Steel Unit for 1992-93 were not made available to us and consequently audit of financial assets, liabilities and contingent liabilities could not be conducted. {Note No. 27(4)}. Therefore, as stated in Paragraph 2(A) of audit report of even date, the attached Balance Sheet, Statement of Profit and Loss and Cash Flow Statement does not include: (a) the financial data / impact of working results and of declaration of closure / post-closure transactions, which includes realization of depot sales / dues from debtors, provision / payment of final dues of employees and payments to various parties and manufacturing / personnel / administration expenses etc., of the Steel Unit of the company for the year 1992-93 during which the Unit had operated for ten months the exclusion of which, in our opinion, substantially impairs the presentation of Standalone Financial Statements of the Company and (b) impact on Standalone Financial Statements on account of non-incorporation of transactions / balance sheets for the years 1993-94 to 2021-22 as stated in Note No. 27(4)(c) of the Standalone Financial Statements and non-physical verification of inventory and fixed assets held for sale as stated in Note No. 27(4).
- b) No internal audit was conducted for 6 years from 2016-17 to 2021-22 in respect of Electrodes, Paint and Gas Units and of CAD {Refer Note No. 27(9)} and of Steel Unit and Corporate office since long.
- c) We note that the Distillery Unit has incurred sale promotion expenses {cost of gift items Rs.2,547.27 Lac (previous year Rs.2,272.71 Lac) and trade scheme expenses Rs.2,333.66 Lac (previous year Rs.1,534.74 Lac) which are claimed as reimbursement from the Distillery Unit by sale promotion agents (SPAs) on secondary sales i.e. on sale made by the State Corporations to their customers}. In our opinion, internal financial controls over these expenses including appropriate documentation needs to be improved upon to safeguard the interests of the Company.
- d) Confirmation of Debit / Credit balances of trade receivables, trade payables, other creditors and lenders including assignees of debt are not being obtained by the company since long.

We have considered the disclaimer above in determining the nature, timing and extent of audit tests applied in our audit of the Standalone Financial Statements of the company and the disclaimer has affected our opinion on the Standalone Financial Statements of the company and we have issued an adverse opinion on the Standalone Financial Statements of the Company for the year ended 31st March, 2022.

For **P.R. Mehra & Co**
Chartered Accountants
(Firm's Registration No. 000051N)

Laxman Prasad
(Partner)
Membership No: 013910

Place: Modinagar
Dated: 16th November, 2022

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2022

(₹ in Lac)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
I EQUITY AND LIABILITIES :			
(1) Shareholders' funds:			
(a) Share Capital	1	371.66	371.66
(b) Reserves & Surplus	2	(24,765.65)	(25,226.56)
		(24,393.99)	(24,854.90)
(2) Non-current liabilities :			
(a) Long term borrowings	3	11,777.70	5,729.67
(b) Other long term liabilities	4	1,599.15	1,625.36
(c) Long term provisions	5	588.92	942.13
		13,965.77	8,297.16
(3) Current liabilities :			
(a) Short term borrowings	6	3,944.11	6,935.20
(b) Trade payables:	7		
(i) Micro and Small Enterprises		163.29	151.50
(ii) Other than Micro and Small Enterprises		31,756.23	37,553.16
(c) Other current liabilities	8	18,250.21	12,503.15
(d) Short term provisions	9	1,528.07	910.57
		55,641.91	58,053.58
TOTAL		45,213.69	41,495.84
II ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment:			
i) Tangible assets	10	7,606.84	6,115.64
ii) Intangible assets	11	3.30	1.28
iii) Capital work-in-progress	11 (A)	306.44	38.06
(b) Non-current investments	12	713.72	586.32
(c) Long term loans and advances	13	62.67	26.66
(d) Other non-current assets (Fixed Tangible)		127.01	198.43
		8,819.98	6,966.39
(2) Current assets			
(a) Inventories	14	16,472.05	12,909.61
(b) Trade receivables	15	15,066.60	14,270.34
(c) Cash and bank balances:-			
(i) Cash and cash equivalents	16(i)	544.68	2,143.59
(ii) Other bank balances	16(ii)	949.96	1,448.62
(d) Short term loans and advances	17	2,689.43	2,070.40
(e) Other current assets	18	670.99	1,686.89
		36,393.71	34,529.45
Total		45,213.69	41,495.84
Significant accounting policies and other notes to Standalone Financial Statements	26 & 27		

The accompanying notes are an integral part of the Standalone Financial Statements.

**For and on behalf of the Board of Directors
of Modi Industries Limited**

As per our report of even date.

For P. R. Mehra & Co.,
Chartered Accountants,
(Regn.No.000051N)

Umesh Kumar Modi
(DIN-00002757)
Chairman & Managing Director

Rakesh Kumar Modi
(DIN-00022386)
Director

Laxman Prasad
Partner
Membership No. 013910

Shobit Nehra
(ACS-31863)
Company Secretary

Dated: 16th November, 2022.

Place: Modinagar

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022
(₹ in Lac)

Sl. No.	Particulars	Note No.	For the year ended 31st March 2022	For the year ended 31st March 2021
	Revenue from operations			
I	Sale of products/services and other operating revenue	19	124,110.15	99,484.51
	Less:- Excise duty		43,540.88	35,481.83
	Revenue from operations		80,569.27	64,002.68
II	Other income	20	1,728.28	1,834.53
III	Total Revenue (I + II)		82,297.55	65,837.21
IV	Expenses:-			
	Cost of materials consumed	27(39)(ii)	41,543.41	34,920.76
	Purchases of stock-in-trade	27(39)(iv)	148.33	132.51
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(2,692.14)	(825.33)
	Employee benefits expense	22	4,208.47	3,542.01
	Finance costs	23	791.57	762.39
	Depreciation and amortization expense	10&11	338.03	311.21
	Other expenses	24	35,800.72	26,920.25
	Total expenses		80,138.39	65,763.80
V	Profit before exceptional and extra-ordinary items and tax (III-IV)		2,159.16	73.41
VI	Exceptional items	27(30)	85.35	1,123.69
VII	Profit before extra-ordinary items and tax (V+VI)		2,244.51	1,197.10
VIII	Extra-ordinary items		-	-
IX	Profit before tax (VII+VIII)		2,244.51	1,197.10
X	Tax expenses	27(45)	-	-
XI	Profit for the year		2,244.51	1,197.10
XII	Profit from continuing operations		976.00	1,367.02
XIII	Profit/(Loss) from discontinuing operations	27(4)(e) &9 (c)	1,268.51	(169.92)
XIV	Tax expense of discontinuing operations		-	-
XV	Profit/(Loss) from discontinuing operations (after Tax) (XIII+XIV)		1,268.51	(169.92)
XVI	Profit for the year (XII+XV)		2,244.51	1,197.10
XVII	Loss from discontinuing operations of Electrode, Paint, Gas units & CAD from 2016-17 to 2020-21	27(9)	1,783.60	-
XVIII	Net Profit (XVI-XVII)		460.91	1,197.10
	Basic /Diluted Earnings per equity share of ₹ 10/- each (in Rupees)	25	13.93	35.99
	Significant Accounting Policies and other notes to Standalone Financial Statements	26 &27		

The accompanying notes are an integral part of the Standalone Financial Statements.

**For and on behalf of the Board of Directors
of Modi Industries Limited**

As per our report of even date.

For P. R. Mehra & Co.,
Chartered Accountants,
(Regn.No.000051N)

Umesh Kumar Modi
(DIN-00002757)
Chairman & Managing Director

Rakesh Kumar Modi
(DIN-00022386)
Director

Laxman Prasad
Partner
Membership No. 013910

Shobit Nehra
(ACS-31863)
Company Secretary

Dated: 16th November,2022.
Place: Modinagar

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lac)

PARTICULARS	2021-22	2020-21
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Tax	460.91	1,197.10
Less: Adjustment for :		
i) Interest Income	186.32	63.37
ii) Profit on Sale of Fixed Assets	368.17	5.50
iii) Profit on Sale/redemption of Investment	-	1,689.24
iv) Excess Provision written back	264.91	16.48
v) Unclaimed credit balances W/back	856.88	160.46
vi) Reversal of diminution in value of Investment	127.40	35.40
vii) Depreciation writte back	2.41	-
viii) Dividend Income	84.00	72.88
	1,890.09	2,043.33
Add: Adjustments for :	(1,429.18)	(846.23)
i) Depreciation	554.07	311.21
ii) Assets written off/Loss on sale of Assets/Stores	27.00	-
iii) Interest Expenses on borrowings	510.68	710.72
iv) Provision for Doubtful Debts & Advances	745.59	368.36
v) Amounts/Claims/Bad Debts written off (Net of provisions)	718.24	5.82
vi) Provision for obsolete Raw Material, spare-parts & stores	124.30	23.56
	2,679.88	1,419.67
Operating Profit/(Loss) before Working Capital Changes	1,250.70	573.44
Adjustments for :		
Trade Receivables	(1,457.84)	(3,935.77)
Inventories	(3,708.61)	(77.75)
Trade Payable	(4,720.28)	220.63
Loans/Advances and other assets	(271.58)	(652.38)
Other bank balances	498.66	(97.03)
Cash Generated from Operations	(8,408.95)	(3,968.86)
Income tax paid	-	-
Net Cash from Operating Activities (A)	(8,408.95)	(3,968.86)
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(2,331.28)	(443.49)
Sale of Fixed Assets	614.33	10.13
Sale/redemption of Investment	-	1,723.89
Interest Received	166.12	27.79
Dividend Received	84.00	72.88
Net Cash Flow from Investing Activities (B)	(1,466.83)	1,391.20

		(₹ in Lac)	
PARTICULARS	2021-22	2020-21	
(C) CASH FLOW FROM FINANCING ACTIVITIES :			
Long Term borrowings from others	6,048.03	708.72	
Short term borrowings (net)	(2,378.69)	2,810.05	
Secured borrowing paid	(462.57)	-	
Interest paid on borrowings	(1,366.82)	(377.54)	
Secured Debentures Paid	(52.04)	(9.45)	
Net Cash from Financing Activities (C)	1,787.91	3,131.78	
Inter Unit Balances (Net) (D) (Refer Foot-Note 1)	6,488.96	(512.73)	
Net Increase/(decrease) in cash andCash Equivalents (A+B+C+D)	(1,598.91)	41.39	
Opening Cash and Cash Equivalents	2,143.59	2,102.20	
Closing Cash and Cash Equivalents	544.68	2,143.59	

FOOT-NOTES :

- In view of non availability of audited balance sheet as on 31.03.2022 and 31.03.2021 of Steel Unit and of Electrode, Paint, Gas & Central accounts department (CAD) as on 31.03.2021, cash flow from investing and financing activities and changes in current assets & liabilities of Steel unit is not included in the Cash Flow Statement except for inclusion of net inflow of ₹ 6,488.96 Lac (Previous Year net outflow ₹ 512.73 Lac) on account of net increase in inter unit credit balance appearing in Note 8 i.e., Other Current Liabilities after adjusting depreciation of Steel Unit ₹38.40 Lac (Previous Year ₹37.95 Lac){Refer Note No.27(4) and 27(9)}.
- Figures in brackets represents outflows.
- Cash flows from operating, investing and financing operations stated above also includes cash flows of discontinuing operations for 6 years as stated in Note No.27 (9) and have not been ascertained/disclosed separately.
- Previous Year figures have been rearranged/regrouped wherever considered necessary. However, the previous year figures are not comparable in view of incorporation of financial statements of Electrode, Paint and Gas Units and of CAD for six financial years i.e. 2016-17 to 2021-22 during the current financial year.

**For and on behalf of the Board of Directors
of Modi Industries Limited**

As per our report of even date.

For P. R. Mehra & Co.,
Chartered Accountants,
(Regn.No.000051N)

Laxman Prasad
Partner
Membership No. 013910

Umesh Kumar Modi
(DIN-00002757)
Chairman & Managing Director

Rakesh Kumar Modi
(DIN-00022386)
Director

Shobit Nehra
(ACS-31863)
Company Secretary

Dated: 16th November, 2022
Place: Modinagar

Notes forming part of the standalone financial statements for the year ended 31st March, 2022

Note no.1: SHARE CAPITAL

(₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
Authorised:-		
40,00,000 Equity shares of ₹. 10/- each	400.00	400.00
1,00,000 15% Redeemable cumulative Preference shares of ₹. 100/- each	100.00	100.00
TOTAL	500.00	500.00
Issued, subscribed and paid up:-		
33,09,214 Equity shares of ₹. 10/- each fully paid-up	330.92	330.92
40,741 15% Redeemable cumulative Preference shares of ₹. 100/- each fully paid-up	40.74	40.74
TOTAL	371.66	371.66

Foot notes:

- (1) (a) Details of equity shares held by each shareholder holding more than 5 percent shares as at the end of financial year are as under:

Name of share holder	As at 31.03.2022		As at 31.03.2021	
	No.of shares held	Percentage	No.of shares held	Percentage
(i) Umesh Kumar Modi	6,89,339	20.83	6,89,339	20.83
(ii) K K Modi Investment & Financial Services Pvt. Ltd.	2,31,751	7.00	2,31,751	7.00

- (b) Details of preference shares held by each shareholder holding more than 5 percent shares as at the end of financial year are as under:

	Name of share holder	No.of shares held	Percentage	No.of shares held	Percentage
(i)	ICICI Bank	7,794	19.13	7,794	19.13
(ii)	The Oriental Insurance Company Limited	6,550	16.08	6,550	16.08
(iii)	The New India Assurance Company Limited	13,624	33.44	13,624	33.44
(iv)	The United India Insurance Company Limited	4,093	10.05	4,093	10.05
(v)	General Insurance Corporation of India	3,560	8.74	3,560	8.74
(vi)	National Insurance Company Limited	4,912	12.06	4,912	12.06

- (2) (a) Cumulative Preference Shares were due for redemption on 31 December, 2010 and are overdue for redemption as on 31st March, 2022. As the Company could not create the Capital Redemption Reserve (CRR) due to the accumulated losses, therefore, these preference shares could not be redeemed by the Company.

- * (b) As informed by M/s. T C Health care Pvt Ltd.(TCH), the preference Shares held by these institutions have been sold to TCH and accordingly TCH is now the owner of these Preference Shares and as such all the benefits, if any, arising in respect of these Preference Shares shall accrue in favour of TCH.

Note no. 2: RESERVES & SURPLUS

(₹ in Lac)

Sl.No.	Particulars	Opening Balance	Addition	Deduction	Closing Balance
(1)	Capital Reserve	459.34	-	-	459.34
(2)	Capital Redemption Reserve	25.11	-	-	25.11
(3)	Shares Premium	22.57	-	-	22.57
(4)	Debenture Redemption Reserve	113.00	-	-	113.00
(5)	Revaluation Reserve	2,012.51	-	-	2,012.51
(6)	Other Reserves/Funds:-				
	-Storage fund for Molasses Account	42.52	7.00	-	49.52
(7)	Surplus i.e. balance in Statement of Profit and Loss	(27,901.61)	460.91	7.00	(27,447.70)
	TOTAL	(25,226.56)	467.91	7.00	(24,765.65)
	Previous year	(26,423.67)	1,203.18	6.08	(25,226.56)

Foot-notes:-

- Storage fund for Molasses ₹ 7.00 Lac (previous year ₹ 6.08 lac) is created @ ₹ 1.50 per Qtl. of Molasses sold as per the provision of "The Molasses control (Regulation of fund for erection of storage facilities) order, 1976" and is to be utilised for construction or erection of storage facilities for Molasses.

Note no. 3: LONG TERM BORROWINGS

(₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
Secured:-		
Bonds/debentures	-	-
Term loans from banks	-	8.10
Unsecured:-		
Bonds/debentures	-	-
Term loans from banks	-	-
Working Capital Finance from others	11,777.70	5,721.57
Deposits	-	-
Long term maturities of finance lease obligations	-	-
TOTAL	11,777.70	5,729.67

Note no. 4 : OTHER LONG TERM LIABILITIES (₹ in Lac)

Particulars	As at	As at
	31.03.2022	31.03.2021
Trade payable	-	-
Others:		
Security received against houses	1,043.76	890.28
Security received from others	49.60	229.70
Advance received against houses {Note No.27 (32)}	504.50	504.50
Other liabilities	1.29	0.88
TOTAL	1,599.15	1,625.36

Note no. 5: LONG-TERM PROVISIONS (₹ in Lac)

Particulars	As at	As at
	31.03.2022	31.03.2021
Provision for employee benefits:-		
Provision for gratuity:-		
As per last balance sheet	854.40	914.51
Add: Provided during the year	(12.96)	(53.57)
Less: Paid/ Payable during the year	26.17	6.54
Less: Paid during previous five years {(Note 27(9))}	259.88	-
Sub total (A)	555.39	854.40
Provision for leave encashment:-		
As per last balance sheet	87.73	89.40
Add: Provided during the year	(4.29)	(1.67)
Less: Paid/ Payable during the year	0.04	-
Less: Paid during previous five years {(Note 27(9))}	49.87	-
Sub total (B)	33.53	87.73
TOTAL (A+B)	588.92	942.13

Note no. 6: SHORT TERM BORROWINGS (₹ in Lac)

Particulars	As at	As at
	31.03.2022	31.03.2021
(A) (i) Secured:-		
Loans repayable on demand:-		
- from banks		
- Cash credit (including interest accrued){see-foot note 1 & 2 below}	1,498.19	1,498.19
- overdraft from bank against pledge of FDR's	-	285.78
Current maturities of long term borrowings		
i) Loans (See foot note 3)	1,332.48	1,506.85
ii) Debentures (See foot note 4)	329.60	381.64
iii) Banks	-	2.42
(ii) Unsecured:-		
Loans repayable on demand:-		
-from banks	-	45.00
-from others		

Note no. 6: SHORT TERM BORROWINGS (Contd.) (₹ in Lac)

Particulars	As at	As at
	31.03.2022	31.03.2021
(B) Current maturities of long term debts		
(i) Unsecured from related party:		
a) A to Z Holding Pvt Ltd.	-	24.89
b) Moderate Leasing & Capital Services Ltd.	783.84	746.66
(ii) Unsecured from others	-	2,443.77
TOTAL	3,944.11	6,935.20

Foot-note:-

- Cash credit of ₹ 1498.19 Lac (including interest accrued and due of ₹ 17.61 Lac) is secured by hypothecation of Raw Materials, Stock in Progress, Finished Goods, Stores and Spares and Book Debts and guaranteed by a Director.{ Refer Note No. 27(5)(a)}.
- Cash credit of ₹ 58.16 Lac from Allahabad Bank is in default since 1996 and ₹ 1440.03 Lac from Punjab National Bank was assigned to a party {Refer Note No.27(5)(a)}.Interest payable on cash credit has not been provided and paid since then.{Refer Note No. 27(19)(c,d & e) and Note No. 27(5)(a)}.
- Others:-
 - Loans aggregating to ₹ 1203.05 Lac (IDBI ₹ 627.74 Lac, ICICI ₹ 235.00 Lac, IFCI ₹ 287.66 Lac, GIC subsidiaries ₹ 53.10 Lac) are secured against securities as mentioned in 4 below.{Refer Note Nos.27(5)(b),(c) & (d) for assignment of debts of IDBI,ICICI & IFCI}.
 - Loan of ₹ 8.08 Lac from Government of Uttar Pradesh under the Industrial Subsidised Housing Scheme is secured by 1st Mortgage of Land and tenements constructed under the Scheme.Details of default not available.
 - Loan from IDBI under Technical Development Fund Scheme amounting to ₹ 74.70 Lac is secured against Electrolyser and Copper Electrodes Machine.{Refer Note No.27(5)(b) for assignment of debts}.
 - Loan taken under Equipment Finance Scheme amounting to ₹ 46.20 Lac is secured against Effluent treatment plant.{ Refer Note No.27(5)(c)}.
- Debentures:**
 - (i) 1,58,797 (Previous year 1,60,823)-12.5% Mortgage Debentures (Non-Convertible part of ₹ 200/- each) redeemable in three yearly instalments of ₹ 65.00, ₹ 65.00 and ₹ 70.00 respectively commencing from the expiry of seventh year from the date of allotment i.e. 29th February, 1988 and due for payment. Interest not paid from 29th February, 1988 to the date of redemption.{Refer Note No.27(31)(A)}.
 - (ii) Nil (Previous year 20,000) -15% Mortgage Debentures of ₹ 100/- each redeemable at 5% premium on the

Note no. 6: SHORT TERM BORROWINGS (Contd.) (₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
expiry of seventh year from the date of allotment i.e. 18th December 1987.{Refer Note No.27(31)(B)}.		
(iii) 1,200 (Previous year 4,000) -15% Mortgage Debentures of ₹ 1000/- each redeemable upto 20th August, 1990 and due for payment. Interest not paid since 1987-88.{Refer Note No. 27(31)(B)}.		
(b) The above debentures are secured by Joint Mortgage of all fixed assets present and future by hypothecation of the said assets and by deposit of title deeds relating to company's immovable properties, floating charges on all movable/current assets, other than assets referred in foot notes 3(b,c,d) above and foot note 1 above.		

Note no. 7 : TRADE PAYABLE (₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
Undisputed Dues:-		
(i) MSME	163.29	151.50
(ii) Others	29,777.78	35,479.14
Disputed Dues:		
(i) MSME	-	-
(ii) Others	-	-
Customers for purchase of goods	1,949.63	1,911.53
Other payables	28.82	162.49
TOTAL	31,919.52	37,704.66

Refer Note No. 44(b) for ageing of trade payables.

Note no.8 : OTHER CURRENT LIABILITIES (₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred credits {Note No.27 (6)}	35.11	35.11
Amount payable for purchase of Capital Assets	199.70	-
Interest accrued but not due on borrowings (unsecured)	61.45	61.45
Interest accrued but not due on borrowings (secured)	-	0.09
Interest accrued and due on borrowings (secured)	1,506.40	1,707.46
Interest accrued and due on borrowings (unsecured)	169.84	635.03
-Interest accrued on Debentures	573.44	763.24
Unreconciled Inter-unit balances { Note Nos.27(4) and 27(9)}	6,906.80	379.44

Other Payable:-

Note no.8 : OTHER CURRENT LIABILITIES (Contd.) (₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
Employees dues	1,137.21	1,180.24
Statutory liabilities	3,207.35	4,195.13
Security received from others	1,574.67	1,512.65
Other liabilities	2,878.24	2,033.31
Total	18,250.21	12,503.15

Note no. 9: SHORT-TERM PROVISIONS (₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for employee benefits:-		
Provision for gratuity:-		
As per last balance sheet	255.73	268.89
Add: Provided during the year	113.07	103.82
Less: Paid during the year	62.19	116.98
Less: Paid during previous five years {(Note 27(9))}	24.89	-
Sub total (A)	281.72	255.73

Provision for leave encashment:-

As per last balance sheet	10.15	9.35
Add: Provided during the year	5.68	2.84
Less: Paid during the year	2.46	2.04
Less: Paid during previous five years {(Note 27(9))}	5.64	-
Sub total (B)	7.73	10.15

Others:-**Provision for State Excise Duty**

As per last balance sheet	606.27	641.73
Add: Provided during the year	1,238.60	571.52
Less: Paid during the year	571.51	606.98
Less: Paid during previous five years {(Note 27(9))}	34.74	-
Sub total	1,238.62	606.27
Provision for Incentive:	-	38.42
Sub total (C)	1,238.62	644.69
TOTAL (A+B+C)	1,528.07	910.57

Note no. 10: PROPERTY, PLANT AND EQUIPMENT:TANGIBLE ASSETS

Particulars	Gross				Depreciation				Closing balance	Net carrying amount 31.03.2022
	Opening balance	Additions		Disposals/ Written off.	Closing balance	Opening balance	On Disposal			
		For the year	For five years (B)				For the year	For five years (B)		
Land (A)	2,023.50	40.76	-	2,064.26	-	-	-	-	-	2,064.26
Buildings (B & C)	1,504.99	632.68	-	2,131.88	1,128.38	18.11	34.87	5.53	1,175.83	956.05
Plant & Equipment *	12,865.73	1,382.12	85.42	14,333.27	9,347.61	249.86	130.12	1,053.35	8,612.12	4,452.02
Furniture & Fixtures	360.85	28.73	9.01	418.59	319.03	3.95	15.45	117.83	220.60	44.59
Vehicles (D)	437.61	-	16.05	453.66	338.57	9.03	26.40	246.92	111.87	34.61
Office equipment	401.58	2.75	-	404.33	353.24	14.51	7.91	170.33	205.33	45.52
Water supply & drainage	59.85	5.17	0.39	65.41	62.04	1.75	-	0.37	54.79	7.25
Others	20.74	-	-	20.74	16.50	1.70	-	2.47	18.20	2.54
TOTAL	17,674.85	2,115.35	143.33	18,005.58	11,559.21	298.91	214.75	1,596.43	10,398.74	7,606.84
Previous year	17,256.54	443.49	25.18	17,674.85	11,306.58	273.18	-	20.55	11,559.21	6,115.64

(A) Company's Land at Modinagar & Meerut was revalued as at 31st March, 1992 at Current Replacement Cost on the basis of valuation report. The appreciation on revaluation ₹ 924.66 Lac was credited to the Revaluation Reserve. The Land was previously revalued as on 31st March 1985 and the appreciation of ₹ 1,087.85 Lac on such revaluation also stands credited to the Revaluation Reserve.

(B) Financial Statements of Electrode, Paint and Gas Units and CAD for five years have been incorporated in the standalone financial statements of the company during the current financial year as stated in Note No. 27 (9). Accordingly additions/disposals/ write-off and depreciation for five years and accumulated depreciation on disposal/write-off are incorporated above by way of separate disclosure.

(C) Includes a sum of ₹ 96.58 Lac (Previous year ₹ 96.58 Lac) towards permanent improvement to the rented properties.

(D) Includes Five (Previous year Five) cars costing ₹ 63.51 Lac (Previous year ₹ 63.51 Lac) WDV ₹ 23.34 Lac (Previous year ₹ 27.52 Lac) purchased in the name of Employees who have given disclaimer in favour of the Company.

(E) Excludes depreciation on loose tools ₹ 0.03 Lac (Previous year ₹ 0.03 Lac) and ₹ 38.40 Lac (Previous year ₹ 37.95 Lac) on additions to assets of Steel Unit

(F) Details of Land & Building given on operating lease has not been disclosed separately.

* Includes ₹ 15.74 Lac being the written down value of Assets of Vanaspatti Unit which is lying closed since 2002.

Note no. 11: Intangible assets

Particulars	Gross				Amortisation				Closing balance	Net carrying amount 31.03.2022
	Opening balance	Additions		Disposals/ Written off.	Closing balance	Opening balance	Written off			
		For the year	For five years				For the year	For five years		
Computer software	103.13	3.92	10.47	33.03	63.55	101.85	0.69	1.21	43.50	60.25
TOTAL	103.13	3.92	10.47	33.03	63.55	101.85	0.69	1.21	43.50	60.25
Previous year	103.13	-	-	-	103.13	101.80	0.05	-	101.85	1.28

Note no. 11(A): Capital Work in Progress

Particulars	Gross				Amortisation				Closing balance	Net carrying amount 31.03.2022
	Opening balance	Additions		Disposals/ Written off.	Closing balance	Opening balance	Written off			
		For the year	For five years				For the year	For five years		
Machinery	37.97	268.36	-	-	306.33	-	-	-	-	306.33
Buildings	0.09	0.02	-	0.11	-	-	-	-	-	0.11
TOTAL	38.06	268.38	-	306.44	-	-	-	-	-	306.44
Previous year	38.06	-	-	-	38.06	-	-	-	-	38.06

Note: Refer Note No.44(c) for ageing and other disclosures of capital work in progress.

Note no. 12: NON CURRENT INVESTMENTS (₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
Trade investments	-	-
Other investments		
Unquoted:-		
10,50,000 No. of fully paid-up shares of ₹ 10/-each in Indofil Industries Limited	437.43	437.43
Quoted:-		
7,00,000 No. of fully paid-up shares of ₹ 10/-each in Modipon limited.{Refer Note No. 27(8)}	20.00	20.00
19,99,960 No.of fully paid-up shares of ₹ 10/-each in Bihar Sponge Iron Limited.	200.00	200.00
Less: Provision for Diminution in value of Shares	(30.00)	(157.40)
8,00,000 No. of fully paid-up shares of ₹ 10/-each in Modi Rubber Limited.	80.00	80.00
62,755 No. of fully paid-up shares of ₹ 10/-each in Lord Chloro Alkali Limited	6.28	6.28
4 No. of fully paid-up shares of ₹ 10/-each in Mukund Limited.	0.01	0.01
(b) Investment in preference shares:- (quoted)		
1 No. of uly-paid preference Share of ₹ 10/- each in Mukund Limited	-	-
Total	713.72	586.32

Foot Notes:

(1) Carrying amount of quoted investments	276.29	148.89
(2) Market value of quoted investments	1,137.03	934.72
(3) Carrying amount of unquoted investments	437.43	437.43
(4) Aggregate provision for diminution in value of investments	30.00	157.40

Note no. 13: LONG TERM LOANS AND ADVANCES (₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
Capital advances (Unsecured considered good)	51.27	15.00
Doubtful	-	1.90
Less: Allowances for Doubtful Amounts	-	(1.90)

Note no. 13: LONG TERM LOANS AND ADVANCES (Contd.) (₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
Other Loans and Advances:- (Unsecured, considered good)		
(a) Prepaid expenses	-	0.20
(b) Amount recoverable	11.40	11.46
(c) Loans to employees	-	-
(d) Loans to others	-	-
TOTAL	62.67	26.66

Note no.13A: -OTHER NON CURRENT ASSETS (₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
Security Deposits:		
-Secured considered good	18.72	-
-Unsecured considered good	108.29	191.53
-Doubtful	32.32	4.70
Less:Provision for doubtful deposits	(32.32)	(4.70)
Other non current Assets	-	6.90
TOTAL	127.01	198.43

Note no.14: INVENTORIES (₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Raw materials	951.79	522.11
(b) Raw materials (in transit)	456.99	35.67
(c) Work-in-progress	391.49	493.96
(d) Finished Goods	12,685.09	10,179.12
(e) Stock-in-trade	-	1.89
(f) Stores and spare parts *	1,962.66	1,652.65
(g) Loose tools*	24.03	24.21
TOTAL	16,472.05	12,909.61

* Refer Note No. 27 (4)(f)(vii) for Steel Unit inventories of Rs.70.37 Lac.

Note no. 15 TRADE RECEIVABLES (₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
Undisputed Trade receivable		
(i) Considered good	15,012.23	14,270.34
(ii) Considered Doubtful	2,162.40	1,900.40
Less:-		
Allowance for bad and doubtful amounts	(2,162.40)	(1,900.40)
(iii) Unbilled Revenue	54.37	
Disputed Trade receivable		
(iii) Condisidered good	-	-
(iv) Considered Doubtful	-	-
Less:-		
Allowance for bad and doubtful amounts	-	-
TOTAL	15,066.60	14,270.34

Note no. 16 CASH AND BANK BALANCES (₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Cash and cash equivalents:-		
(a) Balances with banks:		
-In Current Accounts	521.66	2,081.59
-In FDR's	-	2.45
(b) Cheques, drafts on hand	15.91	46.83
(c) Cash on hand	7.08	12.69
(d) Others:-		
-Postage imprest & stamps in hand	0.03	0.03
TOTAL	544.68	2,143.59
(ii) Other bank balances:-		
(a) Earmarked balance with banks/post office:-		
-Saving account (molasses storage fund)	0.38	0.38
-Fixed deposits (molasses storage fund)*	49.22	42.50
(b) Fixed deposits with banks (Pledged with Excise/Sales Tax/ PF Authorities)	156.19	173.63
(c) Fixed deposits with banks (Pledged for tender)	-	46.42
(d) Fixed Deposits with Banks (Pledged against overdraft)	-	310.33
(e) Balance with banks held as margin money against guarantees	656.47	781.78
(f) Bank deposits with upto 12 months maturity	37.70	43.58
(g) Bank deposits with more than 12 months maturity	-	-
(h) Deposits with Banks in-no lien accounts	50.00	50.00
TOTAL	949.96	1,448.62

*These FDR's are in the joint name of Modi Sugar Mills and Sub Inspector, Molasses Excise.

Note no. 17 SHORT-TERM LOANS AND ADVANCES (₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Loans and advances to related parties:-		
(i) - Secured considered good	-	-
(ii) - Unsecured considered good		
- Bihar Sponge Iron Ltd.	-	1.91
- Win Medicare Pvt. Ltd.	0.21	0.29
(iii) - Doubtful		
- Modi Senator Pvt. Ltd.	0.85	0.85
- Technicast Engineers Ltd.	0.51	0.51
Less: Allowance for doubtful	(1.36)	(1.36)

Note no. 17 SHORT-TERM LOANS AND ADVANCES (Contd.) (₹ in Lac)

Particulars	As at 31.03.2022	As at 31.03.2021
(b) Others (unsecured, considered good):-		
(i) Unutilized balances of CENVAT/ VAT/ GST	183.01	74.80
(ii) Tax deducted at Source	9.59	0.61
(iii) Loans & Advances to employees	10.20	14.40
(iv) Prepaid expenses	330.51	276.23
(v) Amount recoverable	215.20	237.29
(vi) Deposits with excise / sales tax authorities	1,212.39	1,011.08
(vii) Others	716.91	453.79
(c) Others (doubtful):-		
(i) Loans & Advances to employees	0.13	3.01
(ii) Amount recoverable	19.45	24.55
(iii) Others	97.91	97.67
Less: Allowance for doubtful	(106.08)	(125.23)
Total	2,689.43	2,070.40

Note no. 18 OTHER CURRENT ASSETS (₹ in Lac)

Particulars	As at 31.03.2021	As at 31.03.2020
Tax deducted at source	178.09	71.78
Tax collected at source	3.03	1.85
Income Tax adjusted against Penalty	30.00	179.26
Interest accrued on fixed deposits with banks	102.34	82.14
Interest accrued on Income Tax Refund	-	5.51
Amount recoverable	3.70	4.63
Interest receivable on Security deposit	-	64.07
Deferred revenue expenditure	11.07	11.07
Inventory held for sales *	35.93	10.67
Security Deposits:		
-Secured considered good	306.83	18.50
Unsecured Considered good {Refer foot Note No.(i) of Note No.27(9)(b)}	-	1,237.41
-Doubtful	43.66	48.84
Less: Allowance for doubtful	(43.66)	(48.84)
TOTAL	670.99	1,686.89

*Net value of inventory of closed Units.

Note no. 19: REVENUE FROM OPERATIONS (₹ in Lac)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Sale of products	1,22,825.50	99,262.31
Sale of services	308.96	212.70
Other operating revenue:		
Rental Income	960.65	-
Others	15.04	9.50
TOTAL	124,110.15	99,484.51

Note no. 20: OTHER INCOME (₹ in Lac)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Interest income	79.74	63.37
Dividend received (gross)	84.00	72.88
Rental income	-	568.37
Profit on sale of fixed assets	191.84	5.50
Profit on disposal of Inventories held for sale	4.64	-
Excess provision written back	79.93	16.48
Reversal of provision for diminution in value of investment	127.40	35.40
Unclaimed Credit Balances W/ Back	62.20	160.46
Sale of Opening Obsolete Inventory {Refer Note No. 27(4) (f)(vii)}	198.20	724.10
Foreign Currency fluctuation gain (Net)	34.10	-
Sale of Waste & Scrap	691.80	179.07
Reversal of prior period expenses	149.90	-
Miscellaneous Income	24.53	8.90
TOTAL	1,728.28	1,834.53

Note no. 21 CHANGE IN INVENTORIES OF FINISHED GOODS , WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lac)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
(A) Finished goods		
Opening stock *	9,282.28	8,967.98
Less: Closing stock	11,833.84	9,518.25
Sub Total (A)	(2,551.56)	(550.27)
(B) Stock in trade		
Opening stock*	-	1.89
Less: Closing stock	-	1.89
Sub Total (B)	-	-

Note no. 21 CHANGE IN INVENTORIES OF FINISHED GOODS , WORK-IN-PROGRESS AND STOCK-IN-TRADES (Contd.) (₹ in Lac)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
(C) Goods in process		
Opening stock*	441.29	382.18
Less: Closing stock	391.49	493.96
Sub Total (C)	49.80	(111.78)
(D) By Product		
Opening stock	660.87	497.59
Less: Closing stock	851.25	660.87
Sub Total (D)	(190.38)	(163.28)
Net (Increase) / Decrease in Stock (A+B+C+D)	(2,692.14)	(825.33)

* Difference in value of ₹235.97 Lac in opening stock of finished goods, ₹1.89 Lac in Stock in trade and ₹52.67 Lac in goods in process represents change in inventories of closed units (Gas, Paint and Electrode) during the previous five years on account of incorporation of financial statements of these units. {Refer Note No.27(9)}

Note no. 22 EMPLOYEE BENEFITS EXPENSES

(₹ in Lac)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Salary, wages, gratuity & other allowances	3,864.60	3,223.61
Contribution to provident and other funds	183.05	161.14
Staff welfare expenses	160.82	157.26
TOTAL	4,208.47	3,542.01

Note no. 23 FINANCE COSTS

(₹ in Lac)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
(a) Interest expenses:- {Note Nos. 27(4)(f)(i) & (ii), 27(5) and 27(19)}		
(i) On borrowings	483.10	710.72
(ii) On statutory dues	37.87	41.70
(iii) On security deposits	264.32	1.67
(iv) On car loans taken by employees	1.48	1.28
(v) On others	4.80	7.02
(b) Other borrowing costs	-	-
(c) Net gain/loss on foreign currency transactions and translation	-	-
TOTAL	791.57	762.39

Note no. 24 OTHER EXPENSES**(₹ in Lac)**

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Consumption of stores & spare parts	1,753.91	1,130.75
Consumption of packing materials	10,191.33	6,973.77
Power & fuel	277.63	249.76
Repairs to machinery	2,033.48	1,800.75
Repairs to building	546.01	413.90
Repairs & Maintenance (Others)	39.55	-
Lease rent/Rent	158.83	184.07
Rates & taxes	739.34	1,010.87
Excise duty on stock	1,117.36	260.89
Opening finished goods stock charged to Revenue {Refer Note No.27(4)(f)(vii)}	105.56	724.10
Insurance	77.88	37.98
Liabilities written back now paid	2.24	-
Auditor's remuneration (see foot-note below)	33.33	24.64
Loss on sale of fixed assets	2.14	-
Loss on sale of Stores	0.12	-
Stores Written Off	0.09	-
Inventory held for Sale written off	8.47	-
Charity & Donations	10.99	34.39
Bad debts written-off	205.96	19.78
Less : Adjustment of provision for doubtful trade receivables	(173.35)	(19.78)
Claims / amounts written-off	48.80	5.82
Less : Adjustment of provision for doubtful amounts	(18.52)	-
Fixed Assets written off	2.71	-

Note no. 24 OTHER EXPENSES (Contd.)**(₹ in Lac)**

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Provision for obsolete spare-parts & stores	32.00	23.56
Provision for doubtful debts, advances and Security Deposits	489.00	368.36
Freight/ transport & forwarding	1,144.74	841.74
Commission to selling agents	3,098.07	2,157.22
Discount & sale promotion	5,221.68	4,196.42
Advertisement expenses	5.70	15.35
Travelling expenses	236.54	180.29
Ground Water Restoration Expenses	35.00	-
Legal & professional charges	269.56	189.45
Licence Fee {Refer Note No. 27(17)}	7,396.02	5,394.70
Retainership Expenses	281.55	232.31
Net gain/loss on foreign currency transactions & translation	-	5.93
Product Display Charges	-	160.35
Other general expenses	427.00	302.88
TOTAL	35,800.72	26,920.25

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
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NOTE:**Auditor's remuneration:-**

(a) As auditors *	18.22	11.30
(b) For taxation matters (Tax Audit fee)	9.07	8.00
(c) For company law matters	-	-
(d) For other services including certification work	5.27	4.51
(e) For reimbursement of expenses	0.77	0.83
Total	33.33	24.64

Note No.

25. Earnings per Share (EPS) basic and diluted, computed in accordance with Accounting Standard-20:

	(₹ in Lac)	
Particulars	2021-22	2020-21
Profit/Loss for the year as per Standalone Financial statements	460.91	1197.10
Number of Equity Shares issued (B)	33,09,214	33,09,214
Earning per share (in ₹) (A)/(B)	13.93	35.99
Face Value of Equity Share in Rupees	10	10

26 **ACCOUNTING POLICIES:**

(1) **INVENTORY VALUATION**

- (a) Stocks of raw materials and stores and spares are valued at weighted/moving average cost. (Net of input tax credit) or net realizable value whichever is less.
- (b) Loose tools are valued at depreciated cost.
- (c) Cost of machinery spares, which can be used only in connection with an item of Property, Plant & Equipment and whose use is expected to be irregular, are charged to revenue over useful life of the principal item.
- (d) Goods-in-transit are valued at cost.
- (e) Finished goods/Goods-in-Process are valued at lower of cost and net realisable value except by-product i.e. molasses which is valued at net realizable value. Cost inter-alia, includes direct cost, depreciation, excise duty, lease rentals and factory overheads but excludes general administration and selling expenses, Corporate Office administration expenses and Interest. The closing stocks out of inter divisional transfer of goods, is being treated as finished goods instead of raw materials / stores and valued accordingly.

(2) **PROPERTY, PLANT AND EQUIPMENT**

- (i) Major improvements to Property, Plant and Equipments that increases the future benefits from the existing assets beyond its previously assessed standard of performance is included in the gross block and is depreciated over the remaining/ reassessed life of the original assets.

- (ii) Financing cost (upto the date the assets are ready to be put to use for commercial production) relating to borrowed funds attributable to acquisition or construction of Property, Plant and Equipments are included in the gross book value of Property, Plant and Equipments to which they relate.

(3) **DEPRECIATION**

- (a) Depreciation on Plant & Machinery is provided on Straight Line Method except in Corporate Office and Electrode. In respect of other assets including Office Equipments, depreciation is provided on Written Down Value Method in all units except Sugar and Steel Units where it is provided on Straight Line Method.
- (b) Depreciation on additions/deletions is charged on prorata basis and in accordance with Schedule II of the Companies Act, 2013.
- (c) Depreciation on assets costing upto ₹5,000/- has been fully depreciated in the year of purchase.
- (d) Depreciation on tangible fixed assets is charged on WDV method in Electrode Unit based on technical study. The estimated useful life of building was assessed at 25 years and accordingly depreciated over its useful life.

(4) **INTANGIBLE ASSETS:**

Intangible assets are stated at cost of acquisition less accumulated amortization. Computer Software is amortized over a period of five years.

(5) **REVENUE RECOGNITION:**

- (i) Export incentives under the duty entitlement pass book scheme is recognized on accrual basis.
- (ii) Revenue arising by use of Company's properties by others yielding rent is recognized when no significant uncertainty as to measurability or collectability exists.
- (iii) Sale of goods is recognized at the point of dispatch of goods to customers.

(6) **INVESTMENTS:**

Long-term investments are valued at cost less provision for diminution, other than temporary, in the value of investments.

(7) **RETIREMENT BENEFITS:**

- (a) Contribution to Provident Fund is made at a predetermined rate to the Provident Fund Trust and charged to the Statement of Profit and Loss on accrual basis.
- (b) Gratuity Liability is accounted for on accrual basis, computed actuarially, except for Steel Unit upto 31st March, 2002 which is accounted for on cash basis.
- (c) Leave encashment is accounted for on accrual basis, computed actuarially.

(8) **OPERATING LEASE:**

Lease payments under an operating lease are recognized as an expense in Statement of Profit and Loss on a straight-line basis over the lease term.

On account of heavy losses incurred by the MIL, MIL could not repay the said loans and was declared sick in terms of provisions of SICA, 1985.

Thereafter, SBEC Bioenergy Ltd. as well as the SBEC Sugar Ltd. settled and paid the dues of various Financial Institutions i.e., IDBI, IFCI and PNB by virtue of Registered Deed of Assignments. The said Assignments were subsequently transferred in favour of the SBEC Sugar Ltd. vide various Deeds of Assignments. By virtue of such Assignment Deeds, the said Non-Disposable Undertakings given in favour of IDBI, IFCI & PNB have stood automatically transferred in favour of SBEC Sugar Ltd.

At present SBEC Sugar Limited is the major secured creditor of the Company. Therefore, the Company has now undertaken that none of the assets of MIL shall be sold / alienated / transferred without the permission of SBEC Sugar Ltd. as long as the dues of SBEC Sugar Ltd. are payable and outstanding.

27. **CONTINGENT LIABILITIES AND OTHER NOTES:**

	(₹ Lac)	
	AS AT 31.03.2022	AS AT 31.03.2021
1. (a) Claims against the Company not acknowledged as debts		
(i) Workmen (excluding unascertainable amounts)	446.94	439.94
(ii) Others	209.98	224.12
(b) Disputed Liability for Excise-duty, Sales-tax, Entry-tax matters, House Tax & Water Tax and liquidated damages on Provident Fund dues {excluding interest unascertainable and undisputed Sales Tax/penalty demands (net of provision made of ₹62.21 Lac) of ₹175.24 Lac}.	3542.34	1490.89
(c) Bills discounted	815.61	148.59
2. Estimated amounts of contracts remaining to be executed on Capital Account `2438.29 Lac (Previous Year ₹65.82 Lac).		
3. The Company had availed various term loans from IDBI, IFCI, ICICI, PNB, LIC, GIC and its subsidiaries against the security of its movable/immovable assets prior to 1989 and towards compliance of the terms and conditions imposed by the said Banks, the Managing Directors / Promoters of the company had executed undertakings for non-disposal of their respective shares (including the shares acquired in future) of Modi Industries Limited (MIL) held by Promoters (including their group / associate companies / affiliates / assignees / legal heirs).		

4. (a) The Steel Unit is lying closed since 24th January, 1993 due to strike/lock-out and thereafter closure was declared with effect from 24th November, 1993, as the Unit was found to be unviable. The Company has not been able to obtain access to the accounting, financial and production records of the unit necessary for updating the said books of accounts/compiling the data to prepare the annual accounts as well as for finalizing the audit for the year ended 31st March, 1993. Transactions subsequent to the closure of the unit could not be incorporated in the annual accounts of 1992-93 and onwards in view of pending access to the earlier accounts viz., 1st April, 1992 to 24th January, 1993, the absence of which would leave the books still incomplete. However, the Statement of Profit and Loss for the current financial year 2021-22 and from 1993-94 to 2020-21 have been incorporated in current financial year and in various previous financial years respectively. As an interim measure, credit balance of ₹ 6906.80 Lac (Previous year credit balance of ₹ 463.97 Lac) have been clubbed with Current Liabilities of the Company as on 31st March, 2022 and 31st March, 2021 respectively as "Inter- Unit Balances" pending incorporation of (i) Annual Accounts for the period 1st April, 1992 to 31st March, 1993 and (ii) assets and liabilities including inter unit balances arising on account of transactions for the period 1st April, 1993 to 31st March, 2022.
- (b) The financial results for the year 1992-93 would be incorporated as soon as the Company is able to obtain access to/reconstruct the financial, accounting and production records. In view of the above, disclosures as required by Accounting Standard 24 "Discontinuing Operations" can't be made.

(c) In view of above, as per past practice, the audited opening balances of Assets and Liabilities, quantitative details, contingent liabilities excluding old electricity dues and notes of the Steel Unit as on 1st April, 1992, subject to (i) reduction of unsecured loans taken by ₹ 278.95 Lac in view of write back on account of one-time settlement (O.T.S.) of dues with Hong Kong and Shanghai Banking Corporation Limited (HSBC) during the year 2004-05, and further reduction of ₹ 45.00 Lac on account of payment during 2005-06 of O.T.S. to H.S.B.C.;(ii) transfer of loans of Rs 120.64 lac and interest accrued thereon ₹ 95.98 lac of insurance companies appearing in books of Steel unit to Corporate Office for payments made on settlement of dues with these companies (iii) reduction of Property, Plant and Equipments (net) by ₹ 799.86 Lac being depreciation provided during 1993-94 to 2021-22 on Property, Plant & Equipment and WDV on sale of old building ₹ 6.57 lac in 2021-22 and (iv) reduction in opening inventory by ₹ 1269.77 Lac as stated in Note No. 27(4)(f)(vii).

(d) Assets and Liabilities of the Steel Unit incorporated in the Balance Sheet of the Company as on 31.03.2022 and 31.03.2021 are as under:

(₹ in Lac)					
Liabilities	As at 31.3.2022	As at 31.3.2021	Assets	As at 31.3.2022	As at 31.3.2021
Secured Loans	3204.46	3421.08	Property, Plant and Equipments (Net)	393.31	399.88
Current Liabilities & Provisions	2838.28	2838.28	Investments	0.11	0.11
Accumulated Profits/(Losses) (net):	(2270.73)	(2581.96)	Current Assets & Advances: Inventories {Refer Note 27(4)(f)(vii)}	70.37	175.93
1993-94 to 2020-21 (2581.96)			Sundry Debtors	1199.25	1199.25
2021-22 311.23			Cash and Bank Balances	150.78	150.78
			Loans and Advances	249.70	249.70
			Miscellaneous Expendi- ture (to the extent not written off or adjusted)	11.07	11.07
			Inter-unit Balances	910.20	703.46
			Loss for the year 1991-92	787.22	787.22
Total	3772.01	3677.40	Total	3772.01	3677.40

(e) (i) Statement of Profit and Loss of the Steel Unit for the year ended 31st March, 2022 and 31st March, 2021 (excluding inter-unit rental income, job work income and expenses and inter-unit service expense etc) is as under:

(₹ in Lac)		
Particulars	2021-22	2020-21
INCOME :		
Job Work Income	24.94	-
Rental Income	752.68	551.81
Interest Income	9.03	3.44
Other Services	8.87	8.91
Sale of opening inventory # {See Note No.27(4)(f)(vii) below}	198.20	724.10
Profit on sale of Fixed Assets #	93.43	-
Reversal of Previous year Expenses	149.90	-
Amount Written Back	3.82	-
	1,240.87	1,288.26
EXPENDITURE :		
Employees Benefit Expenses	223.74	131.37
Finance Cost	427.75	294.32
Depreciation	38.40	43.80
Legal & Professional Expenses	12.37	29.86
Opening Stock charged to Revenue # {See Note No.27(4)(f)(vii) below}	105.56	724.10
Other Expenses	96.88	234.73
Cost of material consumed	24.94	-
Profit/(Loss) for the year	311.23	(169.92)

(ii) # Net amount represents profit from discontinuing operation of ₹186.07 lac.

(f) Statement of Profit and Loss of Steel Unit for the years 1993-94 to 2021-22 are subject to the following notes on accounts:

(i) In view of non-availability of book balance of liabilities towards PNB, IDBI and IFCI in the books of Steel Unit of the Company on account of non-incorporation of annual accounts and balance sheets of Steel Unit {Refer Note 27 (4) (a to c) of Standalone Financial Statements}, the difference between OTS amounts and book balances could not be ascertained and provided for.

(ii) No-provision of interest, amount unascertained, has been made on loans assigned by Bank and Financial Institutions to SBEC Sugar Limited ("SSL") and TC Health Care Private limited ("TCH") as the Company proposes to enter into revised terms of payment of these secured debts with SSL & TCH. Impact, if any, can't be ascertained and provided for in the books of account.

(iii) The impact, if any, on account of non-availability and consequently non-incorporation of audited opening balances of assets and liabilities of the Steel Unit as on 1st April, 2021;

- (iv) Non-provision of obsolete/damaged stocks and Property, Plant and Equipments, if any, in view of non-incorporation of earlier year's accounts and non-physical verification of these inventories since 1992-93 and Property, Plant & Equipment since the year 1989;
- (v) Non-confirmation / reconciliation of balances of debtors, creditors, banks, financial institutions etc. and impact, if any, on the Statement of Profit and Loss;
- (vi) Non-provision of doubtful debts and loans & advances, amount unascertained;
- (vii) In view of non-incorporation of accounts of the Unit for the year 1992-93, subject to certain adjustments, the assets and liabilities of the unit continued to be incorporated as it is in the balance sheet of the Company since 31st March, 1993.

As per the order of the Hon'ble Supreme Court of India dated 22nd October, 2018 granting approval to sell of moveable properties, the Steel Unit has disposed of Scrap generated out of damaged and obsolete inventories etc. of more than 25 years old for a consideration of ₹ 198.20 Lac (upto 31st March, 2021 ₹ 1164.21 Lac) during the year and recognized revenue. Accordingly, in the absence of details of quantity and value of opening inventory appearing in the books of account, and the classification of scrap out of stocks or property, plant and equipment, the sale of scrap during financial year 2021-22 of ₹ 298.20 lac has been bifurcated on estimated basis into : (i) sale of opening stock inventory by ₹ 105.56 lac appearing in the balance sheet and treated as "opening finished goods stock" charged to revenue in the Note No. 24 of 'Other Expenses' and (ii) ₹ 100 lac treated as sale of building(sold as scrap) having WDV of ₹ 6.57 lac for ₹ 100 Lac.

5. With respect to the assignment of debts

- (a) During the year 2006-07, an agreement dated 22nd January, 2007 for One Time Settlement (OTS) of dues of Punjab National Bank (PNB) was entered into between the Company, PNB, Shri U.K. Modi (as Guarantor) and SBEC Sugar Limited (SSL), on the terms as contained in the PNB's Letter dated 28th September, 2006. Under the said agreement, PNB has agreed to assign all its claims against Steel Unit of the Company together with all securities and charges created by the Company to SSL on payment

of full settlement amount of ₹2810.60 Lac together with interest. SSL made full payment to PNB of the settlement amount together with interest. PNB thereafter executed a Deed of Assignment on 15th May, 2012 in favour of SSL by which PNB assigned all its claims together with all securities and charges created by the Company in its favour to SSL. The Registrar of Companies has registered the modification to the charges in favour of SSL. The debts of MIL which was assigned to SSL had been further assigned to SBEC Bioenergy Limited (SBEL) on 31st December, 2012. Thereafter, in the month of June, 2018, SBEC Bioenergy Limited assigned the entire debt of Modi Industries Limited in favour of SBEC Sugar Limited (SSL) vide registered Deed of Assignment dated 6th June, 2018. In view of the above, the secured debt is now payable by the Company to SSL. The Company is in process of taking steps for negotiating and entering into One Time Settlement (OTS) with SSL. The impact of the said settlement will be taken at the time of final settlement.

- (b) With reference to the Company's liabilities to IDBI Limited, a settlement agreement was concluded between the Company, IDBI Limited and SBEC Bio Energy Limited (SBEL) on 6th October, 2007. This settlement agreement was in terms of IDBI's letter dated 9th February, 2007. Under the said agreement IDBI agreed to assign its entire debt due and payable by the Company to SBEL subject to SBEL paying to IDBI its OTS claim amount of ₹ 1232.20 Lac. Acting on the said agreement, SBEL made a payment of ₹ 1232.20 Lac to IDBI together with interest. The said payment to IDBI of ₹ 1232.20 Lac along with interest was completed on 6th October 2007. IDBI has executed a Deed of Assignment on 5th March, 2018 in favour of SBEL by which IDBI assigned all its claims together with all securities and charges created by the Company in its favour to SBEL. The Registrar of Companies has registered the modification to the charges in favour of SBEL. Thereafter, in the month of June, 2018, SBEC Bioenergy Limited assigned the entire IDBI's debt of Modi Industries Limited in favour of SBEC Sugar Limited (SSL) vide registered Deed of Assignment dated 12th June, 2018. The said debt is now payable by this Company to SSL. The Company is in process of taking steps for negotiating and entering into One Time Settlement (OTS) with SSL. The impact of the said settlement will be taken at the time of final settlement.

- (c) With reference to this Company's liabilities to IFCI Limited, a settlement agreement dated 30th December, 2009 was concluded between this Company, IFCI Limited and SBEC Bio-Energy Limited (SBEL). This settlement agreement was in terms of IFCI's letter dated 30th December, 2009. Under the said settlement agreement, IFCI agreed to assign to SBEL its entire debt as due and payable by this Company to it subject to SBEL paying to IFCI its OTS claim of ₹ 775.00 Lac. Acting on the said settlement agreement, SBEL made a payment of ₹ 775.00 Lac to IFCI on 30th December, 2009 and in consideration thereof IFCI Limited executed a Deed of Assignment dated 19th April, 2012 and assigned its all claims against this Company together with the securities and charges in favour of SBEL. The Registrar of Companies has registered the modification to the charges in favour of SBEL. Thereafter, in the month of June, 2018, SBEC Bioenergy Limited assigned the entire IFCI's debt of Modi Industries Limited in favour of SBEC Sugar Limited (SSL) vide registered Deed of Assignment dated 12th June, 2018. The said secured debt is payable by this Company to SSL. The Company is in process of taking steps for negotiating and entering into One Time Settlement (OTS) with SSL. The impact of the said settlement will be taken at the time of final settlement.
- (d) International Asset Reconstruction Company Limited, the assignee of ICICI debt has assigned its debt to M/s. T.C. Healthcare Private Limited on 27th June, 2018 and its charge has been duly registered with Registrar of Companies. The Company is in process of taking steps for negotiating and entering into One Time Settlement (OTS) with TC Healthcare Pvt Ltd. The impact of the said settlement will be taken at the time of final settlement.
6. Deferred credit including liability for interest payable for unexpired period have been guaranteed by the Bankers of the Company against hypothecation of Gas Cylinders and Machinery purchased under the Scheme in Steel Unit.
7. (i) **Settlement arrived between both the Managing Directors:**
- The Managing Directors of the Company (i.e., Shri Umesh Kumar Modi and Shri Mahendra Kumar Modi) were embroiled in multiple litigations over

30 years and because of the same, major brunt has been faced by the Company as the said inter-se dispute between them led to the inability of the Company to set up new business or revive or rehabilitate the existing units. The Company was also unable to utilize its non-core assets to clear its liabilities and it even failed to avail credit facilities, which were announced by the Central / State Government from time to time to aid the rehabilitation of the Company. This led to a grave situation over a period of years wherein the liability of the Company kept on increasing due to ever piling interest rates.

The 6 (six) units under the control and management of Shri Mahendra Kumar Modi, gradually shut down starting from the year 1995 and the last 2 (two) units i.e. Paint & Electrode unit also closed down in the year 2016. The liabilities of entire Company (i.e., including the 6 units which were previously under the control of Shri Mahendra Kumar Modi) are being paid by the units under the control of Shri Umesh Kumar Modi in order to save the Company from going into liquidation.

The Company as on date have huge outstanding liabilities towards Various Creditors (including banks / Financial Institutions) who have initiated / threatening to initiate action under the Insolvency & Bankruptcy Code, 2016 and / or Recovery of Debts and Bankruptcy Act, 1993 and / or Securitization and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002, repercussions whereof are irreversible and there is an immediate need to liquidate the dues of all the creditors of the Company (including banks / Financial Institutions). The liabilities of the Company are mounting as a whole and apart from the increasing pressure of the Creditors (including banks / Financial Institutions), there were constant dharnas by laborer's / workers (of the 6 units managed by Shri Mahendra Kumar Modi) for liquidation of their outstanding dues as well.

If the above was not enough, to make situation worse, the issuance of Recovery Certificate (on account of outstanding dues of the Cane Growers) on 4th September, 2020, under the U.P. Sugarcane (Regulation of Supply and Purchase) Act, 1953 was

also extremely detrimental to the interest of the Company, therefore, it was becoming imperative and urgent to find a holistic solution once and for all so as to ensure that the Company remains as a going concern.

In view of the aforementioned circumstances, a settlement was arrived between Shri Umesh Kumar Modi and Shri Mahendra Kumar Modi with the assistance, support and intervention from the State Government of Uttar Pradesh, who played an important role in the resolving and settling the inter-se dispute between Shri Umesh Kumar Modi and Shri Mahendra Kumar Modi since there was a constant threat of insolvency surrounding the Company and the fact that 6 units managed by Shri Mahendra Kumar Modi were closed and the liabilities of the Company were also mounting, coupled with the fact that Shri Mahendra Kumar Modi was unable to restart / revive the operation of the 6 units or pay the liabilities / dues of the 6 units. Needless to add here that the decision for settlement on the inter-se disputes was taken in the larger interest of Company, its Shareholders and last but the not least in the interest of labour / workers (who were left without any work simply because of closure of 6 units of the Company). Post the settlement, Shri Mahendra Kumar Modi has resigned from the post of Managing Director/Director of the Company on 09.09.2020 and transferred all the shares held by him, his family members and group companies in favour of Shri Umesh Kumar Modi.

Shri. Umesh Kumar Modi has been successfully managing the affairs of the Company for the last four decades. Additionally, for the last few years, Shri Umesh Kumar Modi has by himself ensured the survival of the Company exclusively as the other six units of the company which were under the control of Shri Mahendra Kumar Modi were permanently closed down. Upon tending the resignation by Shri Mahendra Kumar Modi, the Board by virtue of a circular resolution dated 09.09.2020, made Shri Umesh Kumar Modi in charge of affairs of all the nine (9) units (including the management and control of the six (6) units which were previously under the control and management of Shri Mahendra Kumar Modi) as well as the corporate office of the Company

which was subsequently confirmed by the Board in its meeting dated 05.10.2020. The Board also appointed Shri Umesh Kumar Modi as Chairman of the Company in its meeting dated 05.10.2020.

(ii) **Revival of Electrode unit of the Company and payment of outstanding dues of the labour of the six (6) units of the Company**

Pursuant to settlement arrived between Shri Umesh Kumar Modi and Shri Mahendra Kumar Modi, all the earnest efforts are being made by Shri Umesh Kumar Modi for the revival of closed units of the Company. The Company has incurred approximately ₹ 15.00 Cr to restart and revive the closed electrode Unit and the Unit has restarted its production w.e.f. 25.10.2021.

Further, the Company has started the process of clearing the outstanding dues of the labour / employees / workers of the closed six (6) units and paid an amount of ₹ 404.77 Lac upto 31.03.2022 towards the outstanding dues of the labour / employees / workers.

(iii) **Withdrawal of the cases / complaints filed by Shri Mahendra Kumar Modi against the company as well as other Directors**

Pursuant to the settlement arrived between Shri Umesh Kumar Modi and Shri Mahendra Kumar Modi, the complaints / proceedings/cases instituted by Shri Mahendra Kumar Modi against the company and its Directors before various courts / tribunals / authorities including and not limited to proceedings instituted before the Hon'ble Supreme Court of India, Hon'ble Delhi High Court, Securities & Exchange Board of India, National Stock Exchange of India, Registrar of Companies etc. were withdrawn.

(iv) **Application filed by Shri Devendra Kumar Modi before the Hon'ble Delhi High Court inter-alia seeking stay on sale of assets of the Company**

Immediately after the settlement arrived between Shri Umesh Kumar Modi and Shri Mahendra Kumar Modi in September 2020, Shri Devendra Kumar Modi filed 2 (two) interim applications under Order 39, Rule (1) & (2) of CPC, 1908 being I.A. 8156 / 2020 & I.A. 9457 /2020 in his pending civil suit i.e.

CS (OS) 991 / 2009 titled as DK Modi vs. YK Modi & Ors. before the Hon'ble Delhi High Court (on 11.09.2020 & 03.10.2020 respectively) inter-alia, praying for certain ad-interim reliefs, however, till date no such relief has been granted and merely notice was issued on the said two applications vide order dated 24.11.2020. The said applications are still pending adjudication before the Hon'ble Delhi High Court. Among various reliefs sought by Shri Devendra Kumar Modi in the said two applications, few critical reliefs are as follows:

- (a). Stay the inter-se settlement between Shri Umesh Kumar Modi and Shri Mahendra Kumar Modi;
- (b). Stay the sale of assets of Modi Industries Ltd.;
- (c). Appoint Shri Devendra Kumar Modi on the Board of Modi Industries Ltd.;

Imperatively, since no ad-interim relief was granted in favour of Shri Devendra Kumar Modi as was prayed in the above mentioned 2 interim applications, Shri Devendra Kumar Modi had also filed an appeal (being FAO (OS) 5 of 2021) before the Ld. Division Bench of the Delhi High Court, inter-alia, assailing the order dated 24.11.2020 passed by the Ld. Single Judge, whereby, no interim relief as prayed by Shri Devendra Kumar Modi was granted to him. The Ld. Division Bench vide order dated 18.02.2021 dismissed the appeal filed by Shri Devendra Kumar Modi without granting any interim relief. It may also be relevant to point that the Ld. Division Bench permitted Shri Devendra Kumar Modi to move an application for preponement of hearing in his civil suit being CS (OS) No. 991 of 2009, however, no such steps were taken by Shri Devendra Kumar Modi.

Since Shri Devendra Kumar Modi was not able to procure any relief in the abovementioned proceedings before the Hon'ble Delhi High Court, he also filed a contempt petition before the Hon'ble Supreme Court of India being Cont. Pet. (C) No. 660-662 of 2020 titled as DK Modi vs. MK Modi & UK Modi. The entire

premise of the petition filed by Shri Devendra Kumar Modi was that both Shri Umesh Kumar Modi and Shri Mahendra Kumar Modi have committed contempt of the court and violated the order dated 27.08.2010 (passed in SLP No. 23095-97 of 2010 titled as MK Modi vs. UK Modi & Ors.) by entering into an inter-se settlement amongst themselves. It is noteworthy to mention that the said order dated 27.08.2010 was passed by the Hon'ble Supreme Court of India pursuant to the prayer made by Shri Mahendra Kumar Modi to protect his interest in the Company who during the said period was apprehending that he will be ousted from the Company. The said order was only passed at the instance and prayer of Mr. M.K. Modi. Imperatively, the said order dated 27.08.2010 has nothing to do with Shri Devendra Kumar Modi as he was neither on the Board of the Company ever prior to the said order nor was he on the Board after the said order.

The Hon'ble Supreme Court vide its order dated 15.12.2020 issued ex-parte notice in the said petition filed by Shri Devendra Kumar Modi. Pursuant to the notice issued by the Hon'ble Supreme Court of India, both Shri Umesh Kumar Modi and Shri Mahendra Kumar Modi filed their respective Counter Affidavits to the petition filed by the Shri Devendra Kumar Modi.

Furthermore, in the SLP No. 23095-97 of 2010 titled as MK Modi vs. UK Modi & Ors., Shri Mahendra Kumar Modi had also filed an application for withdrawal of the said SLP in view of the settlement arrived between Shri Umesh Kumar Modi and Shri Mahendra Kumar Modi.

In the contempt petition filed by Shri Devendra Kumar Modi, similar prayers were sought (apart from the prayer for initiation of Contempt proceedings) as were sought previously in the 2 (two) interim applications under Order 39, Rule (1) & (2) of CPC, 1908 being I.A. 8156 / 2020 & I.A. 9457 / 2020 in the pending civil suit being CS (OS) 991 / 2009.

Shri Umesh Kumar Modi thereafter filed an application (being I.A. 704/2021) before the Hon'ble Delhi High Court in the pending civil suit filed by Shri Devendra Kumar Modi, interalia, bring this fact on record that Shri Devendra Kumar Modi is seeking similar prayers before two different courts. Pursuant to the same, the counsel present for Shri Devendra Kumar Modi stated that she will file an Affidavit and withdraw the similar prayers before the Hon'ble Supreme Court of India and the same is recorded in order dated 24.03.2021. Shri Devendra Kumar Modi subsequently filed an Affidavit withdrawing similar prayers before the Hon'ble Supreme Court of India on 26.03.2021.

Further, the Contempt Petition filed by Shri Devendra Kumar Modi as well as the SLP filed by Shri Mahendra Kumar Modi was taken up for hearing on 06.09.2022 by the Hon'ble Supreme Court of India after competition of pleading. The Hon'ble Supreme Court of India after hearing the parties in detail was pleased to (vide order dated 06.09.2022) dismiss the Contempt Petition filed by Shri Devendra Kumar Modi and further the SLP filed by Shri Mahendra Kumar Modi was permitted to be withdrawn in terms of the application filed by Shri Mahendra Kumar Modi.

8. Share purchase agreement executed between Modi Industries Ltd. and Shri Mahendra Kumar Modi regarding sale of shares of Modipon Ltd.

During September 2020, an agreement was executed between the Company and Daisy Investment Ltd., regarding sale of shares of Modipon Ltd. held by the Company.

In pursuance to the said agreement, the Company received an advance amount of 25% of the entire sale consideration against the transfer of the shares in favour of Daisy Investment Ltd., however, since the Demat Account of the Company was suspended / freeze, the shares held

by the Company could not be transferred during the said period. The suspension / freeze of the Demat Account was on account of some non-compliance at the end of Modi Rubber Ltd. The suspension of the Company's Demat Account was only on account of the fact that the Company is one of the promoters of Modi Rubber Ltd.

The suspension of the Demat Account of the Company has been lifted / revoked with effect from 15.03.2021. However, the transfer of shares is still pending and accordingly the sale of shares has not been recognized till March 31, 2022 as the balance sale consideration is also yet to be received.

- 9 (a) The Electrode, Paint and Gas Units of the Company were closed with effect from November 2016. The audited financial statements of these 3 Units and Central Accounts Department("CAD") of these three Units were not incorporated in the financial statements of the Company for the financial years 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Pending incorporation of audited financial statements of these 3 Units and CAD for the period 1st April, 2016 to 31st March, 2021, change in inter-unit net debit balances with other Units & Corporate Office of ₹ 84.53 Lac as on 31st March, 2021 due to non-incorporation of these financial statements was shown under Current Liabilities of the Company as on 31st March, 2021 as "Inter-Unit Balances" as an interim measure as was done in case of closed Steel Unit as stated in Note No.27(4) above. Audited financial statements of these five financial years i.e., 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 of these 3 Units and CAD are now incorporated in the financial statements of the Company for the financial year 2021-22.
- (b) Consolidated Statement of Profit and Loss of these three units and CAD for 5 years i.e., 2016-17 to 2020-21, which mainly represents prior period expenses/income from discontinuing operations, have been incorporated in the financial statements of the Company for the financial year 2021-22. Details are as under:-

(₹ in Lac.)

Particulars	ELECTRODE UNIT	GAS UNIT	PAINT UNIT	CAD	TOTAL
I Revenue from operations (Note 1)	621.84	292.66	1206.32	-	2120.82
Less: - Excise duty	54.87	22.94	133.67	-	211.48
Total (I)	566.97	269.72	1072.65	-	1909.34
Unclaimed credit balances written back	370.02	47.23	227.27	150.15	794.67
Excess provision written back	75.76	4.78	76.09	28.34	184.97
Profit on Disposal of Property, Plant & Equipment	1.67	43.66	0.14	-	45.47
Other income (Note 2)	172.15	14.59	17.21	2.23	206.18
Total (II)	619.60	110.26	320.71	180.72	1231.29
Total Income (III) (I + II)	1186.57	379.98	1393.36	180.72	3140.63
IV Expenses: -					
Cost of materials consumed	228.70	113.28	527.55	-	869.53
Purchase of stock-in-trade	-	36.94	-	-	36.94
Changes in inventories of finished goods, work-in- progress and stock in trade (Note3)	148.03	5.80	115.73	0.02	269.58
Employee benefits expense (Note 4)	306.21	86.62	200.83	142.38	736.04
Finance costs (Note5)	102.64	2.73	15.58	1.66	122.61
Depreciation and amortization expense	152.65	9.94	35.70	17.75	216.04
Claims / amounts written-off	-	34.17	-	-	34.17
Less: Adjustment of provision for doubtful	-	-3.81	-	-	-3.81
Other expenses (Note 6)	918.08	193.67	593.32	312.54	2,017.63
Total expenses (IV)	1856.31	479.34	1488.70	474.36	4298.73
V Loss before exceptional items and tax (IV-III)	669.74	99.36	95.34	293.65	1158.10
VI Exceptional items:					
(a) Profit on Disposal of Fixed assets held for sale(Foot Note i)	-38.78	-	-	-92.05	-130.83
(b) Closure Compensation (Foot Note ii)	63.18	16.48	86.83	-	166.49
(c) Claims/Amounts written off (Foot Note iii)	-	-	-	589.84	589.84
VII Loss before tax (V-VI)	694.14	115.85	182.17	791.44	1783.60
Tax	-	-	-	-	-
VIII Loss after tax from discontinuing operations	694.14	115.85	182.17	791.44	1783.60
Note no. 1 Revenue from operations					
(a) Sale of products	521.67	277.56	1206.13	-	2005.36
(b) Sales of services	97.84	3.46	-	-	101.30
(c) Other operating revenue	2.33	11.64	0.19	-	14.16
TOTAL	621.84	292.66	1206.32	-	2120.82
Note no. 2 Other income					
Interest income	80.37	8.51	15.47	2.23	106.58
Profit on sale of non-current assets	-	0.03	-	-	0.03
Rental income	3.92	6.03	1.12	-	11.07
Depreciation Written Back	1.88	-	0.54	-	2.41
Sale of Scrap	85.98	-	-	-	85.98
Other non-operating income	-	-	0.08	-	0.08
Miscellaneous Income	-	0.02	-	-	0.02
TOTAL	172.15	14.59	17.21	2.23	206.18

Particulars	ELECTRODE UNIT	GAS UNIT	PAINT UNIT	CAD	TOTAL
Note no. 3 (INCREASE) / DECREASE IN STOCK: -					
(A) Finished goods					
Opening stock	288.36	3.93	307.52	-	599.81
Less: Closing stock	161.59	-	223.23	-	384.82
Sub Total (A)	126.77	3.93	84.29	-	214.99
(B) Stock in trade					
Opening stock	-	1.87	0.12	0.04	2.03
Less: Closing stock	-	-	0.10	0.02	0.12
Sub Total (B)	-	1.87	0.02	0.02	1.91
(C) Goods in process					
Opening stock	21.26	-	31.42	-	52.68
Less: Closing stock	-	-	-	-	-
Sub Total (C)	21.26	-	31.42	-	52.68
Net (Increase)/Decrease in Stock (A+B+C)	148.03	5.80	115.73	0.02	269.58

Particulars	ELECTRODE UNIT	GAS UNIT	PAINT UNIT	CAD	TOTAL
Note no. 4 Employee benefits expenses					
Salary, wages, gratuity & other allowances	267.26	76.57	175.55	127.73	647.11
Contribution to provident and other funds	18.98	6.31	15.62	9.03	49.94
Staff welfare expenses	19.97	3.74	9.65	5.63	38.99
TOTAL	306.21	86.62	200.82	142.39	736.04

Particulars	ELECTRODE UNIT	GAS UNIT	PAINT UNIT	CAD	TOTAL
Note no. 5 Finance costs					
(a) Interest expenses: -					
(i) On borrowings	0.55	0.08	0.17	-	0.80
(ii) On statutory dues	-	2.64	13.58	1.66	17.88
(iii) On trade payable	10.63	-	1.09	-	11.72
(iv) On security deposits.	-	-	0.74	-	0.74
(v) On Loan from Corporate	2.92	-	-	-	2.92
(vi) On others (specify nature)	-	0.01	-	-	0.01
(vii) On bank overdraft/ bill discounting	23.87	-	-	-	23.87
(b) Other borrowing costs	64.67	-	-	-	64.67
TOTAL	102.64	2.73	15.58	1.66	122.61

Particulars	ELECTRODE UNIT	GAS UNIT	PAINT UNIT	CAD	TOTAL
Note no. 6 Other Expenses:					
Consumption of stores & spare parts	2.79	3.54	4.48	-	10.81
Consumption of packing materials	13.04	-	72.78	-	85.82
Power & fuel	44.03	4.17	30.00	-	78.20
Packing & Filling Expenses	-	-	11.70	-	11.70
Repairs to machinery	5.06	1.05	4.55	-	10.66
Repairs to building	0.02	0.02	0.37	0.22	0.62
Rent	171.09	7.90	10.86	0.78	190.63
Lease rent	-	9.13	-	-	9.13
Rent paid on cylinders	-	25.69	-	-	25.69
Rates & taxes	2.38	0.45	5.56	-	8.39
Excise duty on stock	-26.15	-	2.99	-	-23.16
Insurance	6.40	2.31	8.27	2.10	19.07
Loss on sale of fixed assets	1.35	-	1.46	-	2.81
Stores Written Off	-	-	-	56.65	56.65
Amount Written Off	-	0.01	-	-	0.01
Less: Adjustment of provision for obsolete stores	-	-	-	-46.00	-46.00
Bad debt written-off	0.03	42.06	149.10	2.50	193.69
Less: Adjustment of provision for doubtful debts	-	-42.06	-148.46	-2.50	-193.02
Claims / amounts written-off	25.89	-	21.85	0.22	47.96
Less: Adjustment of provision for doubtful	-	-	-13.48	-	-13.48
Provision for obsolete spare-parts & stores	25.11	-	67.19	-	92.30
Provision for doubtful debts	31.95	49.18	108.49	-	189.63
Provision for doubtful advances/ Security Deposit	64.17	-	0.50	2.30	66.98
Miscellaneous expenses: -					
(a) Freight/ transport & forwarding	4.70	29.70	76.05	-	110.45
(b) Commission to selling agent	10.43	-	1.31	-	11.74
(c) Discount & sale promotion	1.27	-	45.14	-	46.41
(d) Advertisement expenses	29.86	-	6.90	-	36.77
(e) Travelling expenses	13.02	5.50	37.73	20.14	76.39
(f) Legal & professional charges	185.47	5.19	18.00	2.02	210.69
(g) Retainership Expenses	37.21	14.16	31.68	223.30	306.35
(h) Job work charges	87.66	-	-	-	87.66
(i) Other general expenses	181.30	35.67	38.29	50.81	306.07
TOTAL	918.08	193.67	593.32	312.54	2017.63

Foot Notes: -

- i. During the financial year 2020-21, amount recoverable from various parties which were over due for almost more than five years amounting to ₹ 589.84 Lac including security deposits against quarter of ₹ 542.58 Lac were written-off as an "Exceptional Item" in the books of account of CAD.
- ii. Closure compensation and notice pay amounting to ₹ 166.49 Lac of these 3 Units was charged to revenue as an "Exceptional Item" in the above Consolidated Statement of Profit & Loss for five years.
- iii. Profit on disposal of Fixed Assets held for Sale ₹ 130.83 Lac represents excess of sale value over written down value of certain assets held for sale of closed units.

- (c) Operations of Electrode, Paint and Gas Units and CAD were discontinued as the units were closed earlier in the year 2016-17 and the process of sale of assets and settlement of liabilities are in progress as on 31st March, 2022 and is likely to take a year or so to complete the entire process, even though Electrode Unit has been revived during the current financial year. Carrying amount as of 31st March, 2022 of the total assets to be disposed of, total liabilities to be settled, revenue and expense for financial year 2021-22 are as under:

(₹ in Lac.)

Particulars	ELECTRODE UNIT #	PAINT UNIT	GAS UNIT	CAD	TOTAL
(a) Assets to be disposed of:					
Trade receivables	10.00	3.42	-	-	13.42
Inventory held for sale	8.20	20.69	-	-	28.89
Loans and advances	50.38	-	-	12.04	62.42
Total (a)	68.58	24.11	-	12.04	104.73
(b) Liabilities to be settled					
Security received	50.30	-	10.68	-	60.98
Trade payable	272.70	22.54	10.79	0.30	306.33
Provision for employees benefit Gratuity	-	-	-	2.29	2.29
Employees dues	50.50	63.68	10.98	45.25	173.41
Statutory Liabilities	141.08	21.19	5.86	1006.95	1175.08
Security received from others	-	9.50	-	-	9.50
Other Liabilities	46.11	1.17	0.55	4.02	51.85
Total (b)	560.69	118.08	41.86	1058.81	1779.44
(c) Revenue earned during 2021-22					
Revenue from operation	-	-	-	-	-
Other income	495.63	46.32	8.38	0.07	173.07
Total (c)	495.63	46.32	8.38	0.07	173.07
(d) Expenses incurred during 2021-22					
Employee benefit expenses	-	-	-	3.29	3.29
Finance cost	4.35	4.52	1.14	0.24	10.25
Depreciation and amortization exp.	-	0.13	0.04	0.81	0.98
Other expenses	32.38	12.93	5.12	3.13	53.56
Total (d)	36.73	17.58	6.30	7.47	68.08
Profit before Exceptional Items	458.90	27.74	2.08	-7.40	481.32
Exceptional Items:					
Profit on disposal of fixed assets held for sale	-	112.98	5.97	375.43	494.38
Unclaimed credit balance written back	-	13.73	70.74	22.27	106.74
(e) Net profit for the year	458.90	154.45	78.79	390.30	1082.44

These assets, liabilities, income and expense represents balances of The Electrode Unit upto August, 2021.

10. The Company has entered into an agreement with U.P. Power Corporation Limited for its Residential Feeder SC No. 2005 on 29th March, 2000. In pursuance of that agreement, the Company has paid for the existing authorised occupants only after 1st July, 1998 computed prorata based on covered area of quarters occupied by the employees. In view of the above, no provision has been made for electricity charges of ₹ 131.46 Lac upto the period of permanent disconnection of residential feeder SC No. 2005 i.e. 31st May, 2001 (Previous year ₹ 131.46 Lac) for the unauthorized occupants and late payment surcharge/recovery charges amounting to ₹ 302.66 Lac upto 31st May, 2001 (Previous year ₹ 302.66 Lac). In accordance with the agreement, matter regarding waiver of late payment surcharge and recovery charges after 1st July, 1998 will be referred to the Government.

11. ESI authorities had raised a demand on the Company for ₹ 71.70 Lac (upto previous year ₹ 70.53 Lac) (inclusive of interest) towards Company's liability for ESI for the years 1968 to 1986 and no provision has been made against this liability.

12. The Company was listed into U.P. Stock Exchange Limited, (UPSE) Kanpur and Delhi Stock Exchange Limited, (DSE) New Delhi. The SEBI had issued exit order of UPSE on 09th June, 2015 and also SEBI had de-recognized the DSE on 19th November, 2014 and issued Exit Order on 23rd January, 2017. SEBI vide its circular No. CIR/MRD/DSA/5/2015 dated 17th April, 2015 provided that the exclusively listed Companies (ELCs) which fail to obtain listing in any other nationwide stock exchange will cease to be a listed Company and will be moved to the Dissemination Board (DB) by the existing stock exchange.

In this respect of delisting, the Company has duly complied with SEBI Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016 and reasonably followed all the procedures, taken necessary steps, made due disclosures and submitted Reports and records to the Appropriate Authority which was in company's case it was NSE.

The NSE has removed the name of the company from the "List of Companies removed from Dissemination Board" and now the Company has turned into an unlisted public company as displayed on NSE website vide its circular no. NSE/CML/35701 dated 1st September, 2017.

13. Excise duty on uncleared manufactured finished goods and custom duty in respect of imported goods lying in bond in respect of Steel Unit amounting to ₹ 43.09 Lac and ₹ 24.35 Lac respectively is accounted for as and when such goods are cleared. However, this has no impact on the profit of the Company.

14. (a) The Company has adopted Accounting Standard 15 (Revised) on employees benefits with effect from 1st April, 2007 in respect of provision for Gratuity liability.

The Company has unfunded scheme for payment of gratuity to all eligible employees calculated at specified number of days of last drawn salary depending upon tenure of service for each year of completed service subject to minimum five years of service payable at the time of separation upon superannuation or on exit otherwise.

(i) Details in respect of Gratuity are as under:

(₹ in Lac)

Liability to be recognized in Balance Sheet	As on 31.03.2022	As on 31.03.2021
Present value of Obligations	741.35	728.69
Reconciliation of Opening and Closing Balances of Obligation		
Obligation as at beginning of the year	728.70	803.87
Current Service Cost	55.54	50.90
Interest Cost	48.75	54.34
Actuarial Losses/(Gain)	(3.48)	(50.56)
Benefits paid	(88.16)	(129.86)
Obligations as at the end of the year	741.35	728.69
Expenditure to be recognized during the year		
Current Service Cost	55.54	50.90
Interest Cost	48.75	54.34
Expected Return on Plan Assets	-	-
Net Actuarial Losses/(Gains) Recognized during the year	(3.48)	(50.56)
Total expenditure included in "Employees' Emoluments"	100.81	54.68
Assumptions		
Discount Rate (per annum)	7.16%	6.69%
Expected rate of Return on Assets (per annum)	0%	0%
Salary Escalation Rate	6.00%	6.00%

(b)(i) The Company has adopted Accounting Standard 15 (Revised) on employees benefits with effect from 1st April, 2008 in respect of Earned Leave and the scheme is unfunded.

(ii) Details in respect of Earned Leave are as under:

(₹ in Lac)

Liability to be recognized in Balance Sheet	As on 31.03.2022	As on 31.03.2021
Present value of Obligations	43.73	44.64
Reconciliation of Opening and Closing Balances of Obligation		
Obligation as at beginning of the year	43.73	44.64
Current Service Cost	4.68	5.44
Interest Cost	2.93	3.02
Actuarial Losses/(Gain)	(5.67)	(7.10)
Benefits paid	(2.50)	(2.27)
Obligations as at the end of the year	43.17	43.73
Expenditure to be recognized during the year		
Current Service Cost	4.68	5.44
Interest Cost	2.93	3.02
Expected Return on Plan Assets	-	-
Net Actuarial Losses/(Gains) Recognized during the year	(5.67)	(7.10)
Total expenditure included in "Employees' Emoluments"	1.94	1.36
Assumptions		
Discount Rate (per annum)	7.16%	6.69%
Expected rate of Return on Assets (per annum)	0%	0%
Salary Escalation Rate	6.00%	6.00%

15. (i) Based on the information/documents available with the Company, information as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 with respect to trade payables and payable to suppliers of capital goods are as follows:

(in ₹ in lacs)

As at 31 st March, 2022				
Description		Trade payables	Payable to suppliers of capital goods	Total
(i)	The Principal amount remaining unpaid to suppliers as at the end of accounting year.	260.61 *(199.85)	36.32 *(34.00)	296.93 *(233.85)
(ii)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year.	**See Note below		

(in ₹ in lacs)

As at 31 st March, 2022				
Description		Trade payables	Payable to suppliers of capital goods	Total
(iii)	The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year;	**See Note below		
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	**See Note below		
(v)	The amount of interest accrued during the year and remaining unpaid at the end of accounting year.	**See Note below		
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure U/s 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**See Note below		

* Figures in () represent previous year figures.

** No provision has been made for interest on dues of parties covered under MSME Act, 2006 for the period upto 31st March, 2022 in the books of account. Amount not ascertained.

(ii) No information from vendors regarding their status under MSME is available in respect of closed Paint, Gas, Steel Units and of CAD. Hence, the above information can't be furnished in respect of these units and CAD.

16. Government of India has issued guidelines dated 15th January 1987 which requires companies raising resources through issue of Debentures to create a Debenture Redemption Reserve. The Company has not created such a reserve in view of the accumulated losses.

17. During the year 2010-11, the Distillery Unit of the Company (Bottler) had entered into an agreement i.e., a "Bottling Agreement (including addendum to bottling agreement dated 26th April, 2012)" with MI Spirit India Private Ltd (MISIP) whereby the parties i.e. bottler and MISIP have agreed to the blending, manufacturing and bottling of the products by the bottler. Bottling agreement stated above was substantially amended with effect from 01.04.2018 wherein number of clauses have been deleted and/or modified. The amended agreement inter-alia stipulates that (i) MISIP will only carry out certain quality control functions (ii) definition of 'manufacturing expenses', manufacturing margin and selling and distribution expenses shall stand deleted (iii) the risk, property, interest, title or ownership to the materials procured by the bottler shall always remain with the bottler (iv) the bottler shall be responsible for collection of all payment against invoices raised by the bottler and (v) in consideration of the Company granting the rights as specified in the bottling agreement to the bottler in terms hereof and the sub license agreement, including rendering process services and marketing the products. The bottler shall pay to the Company license fee equal to 15% (Previous year 15%) of the revenue generated (net of statutory charges levies, taxes and duties) from the sale of products.
18. Consequent to the losses, the Company was declared a Sick Industrial Company on 14th March, 1991 in terms of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985. Show-cause Notice issued by BIFR for winding up pursuant to its order dated 28th October, 2013 was stayed by AAI FR. Ministry of Finance, Department of Financial Services vide its Notification No. S.O.3568(E) & S.O. 3569(E) dated 25th November, 2016 repealed the SICA Therefore BIFR & AAI FR have also been dissolved. National Company Law Tribunal (NCLT) & National Company Law Appellate Tribunal (NCLAT) have been constituted by the Government, now such type of matters are dealt by NCLT/NCLAT. In the month of September, 2020, a long pending dispute between Shri Umesh Kumar Modi, Chairman and Managing Director and Shri Mahendra Kumar Modi (erstwhile Managing Director) has been amicably settled and thereafter necessary steps were taken by the Company under the leadership of Shri Umesh Kumar Modi for rehabilitation/ revival of the closed Electrode unit. The commercial production of the Unit has restarted from 25.10.2021 and during the year the unit started the production of Electrode and CO2 wire was 793.36 MT and 834.31 MT on Job Work Basis. Additionally, in the Distillery Unit, it was decided that to convert its existing 30 KLPD Molasses Distillery into a 32 KLPD Grain Distillery, which will be able to fulfill the demand of IMFL up to 2.4 million cases, and the estimated project cost will be around 35.00 Cr.. Further, the Company has started the process of sale/lease of unproductive assets not related to the working units of the company in order to clear the outstanding liabilities of the Company. In view of the above, as well as improved performance of the operating units of the Company, the accounts of the Company have been prepared on a going concern basis.
19. (a) No provision has been made for penal/delayed/simple/compound interest amounting to ₹ 50,473.61 Lac upto 31st March, 2022 (for the year ₹ 6,964.88 Lac) on term borrowings.
- (b) No provision has been made for interest/compound/penal interest of ₹ 1,857.99 Lac upto 31st March, 2022 on Debentures as the final settlements is likely to take place in financial year 2022-23. [Refer Note No. 27(31)]
- (c) The Sugar & Distillery Units of the company has given a proposal for settlement of their dues with Allahabad Bank of ₹ 227.00 Lac against which an upfront payment of ₹ 50.00 Lac has already been made under "No Lien Account" and included under "other bank balances" and to pay the balance amount of ₹ 177.00 Lac in two equal monthly installments after the receipt of sanction from bank. The shortfall in interest provision amounting to ₹168.84 Lac will be provided in the books of account in the year of approval of OTS proposal by the bank which is pending.
- (d) The Sugar Unit of the company has not made provision for interest (computed @ 15.5% p.a.) / bank charges amounting to ₹ 9352.83 Lac (for the year ₹ 1334.96 Lac) on cash credit loan taken from Allahabad Bank in view of para (c) above
- (e) No provision has been made for interest on Cash Credit amounting to ₹ 1093.15 Lac (for the year ₹ 159.30 Lac). Further, response to the proposal submitted to the Bank for One Time Settlement (OTS) dues is awaited in Distillery Unit in view of para (c) above.
20. (a) The closed Vanaspati Unit had applied for Sales Tax Relief Exemption to U.P. Government in terms of Section 4A of U.P. Sales Tax Act. Consequent to rejection, the Company has filed a writ petition in Lucknow Bench of Allahabad High Court and Court had passed an order dated 21st February, 2013 that "the writ petition is allowed and impugned order dated 22nd April, 1992 is quashed. The opposite parties are directed to reconsider the case of the petitioner afresh, after giving personal opportunity of hearing and pass appropriate orders, in accordance with law." In compliance of High Court order, we had filed an application before the Secretary Level Committee (Constituted under Section 4A of the U.P. Trade Tax Act). As the matter is still pending before the authority, no provision

has been made for sales tax liability of ₹ 2,455.78 Lac relating to the period May, 1991 to July, 1994 (previous year ₹ 2,455.78 Lac).

- (b) The closed Vanaspati Unit had preferred an application for deferment of Sales-tax with effect from July, 1994 under Section 38 of the U.P. Sales Tax Act and the same has been rejected by the State Government. The Company has also filed Writ Petition against the rejection and consequent to the orders of the Court, the recovery of Sales-tax has been kept in abeyance. Accordingly, Sales-tax amounting to ₹ 440.46 Lac (previous year ₹ 440.46 Lac) relating to the period August, 1994 to March, 1996 has not been deposited with the authorities.

The above writ petition filed by the Company was listed for hearing on 2nd May, 2008 at High Court, Lucknow Bench. The Company had filed an affidavit with the Court that BIFR had passed an order dated 26th March, 2008 by virtue of which the Bench permitted the Commercial Tax Department, Government of U.P. to recover its outstanding dues, due after 30th June, 2007. The Company had also stated in the said affidavit that the Hon'ble Supreme Court of India had affirmed the order of the BIFR and therefore in view of the said orders of BIFR as affirmed by the Hon'ble Supreme Court, the said Writ Petition may be dismissed as infructuous. Accordingly, the High Court, Lucknow Bench has dismissed the said writ petition as infructuous.

- (c) In accordance with the Scheme announced by U.P. Government regarding Waiver of Interest & Penalty on Sales Tax, the Distillery Unit of the Company has paid and provided interest during 2005-06 of ₹ 54.77 Lac i.e. 10% of the total interest as per the scheme. No Dues Certificate of Sales Tax authorities is awaited.

21. Operating Leases:

Modi Distillery Unit has entered with in an operating lease agreement for Evaporation Plant on 01/10/2016 with G.S. Pharmabutor Private Limited, Modinagar which was extended for a period of three years on 01.10.2019. Details as under:

(₹ in Lac)

Period	Evaporation Plant	
	2021-22	2020-21
Lease Period	3 Years	3 Years
Total Lease Rent Payable	210.39	210.39
Paid during 2021-22	70.13	70.13
Payable during 2022-23 to not later than 5 years	35.06	70.13
Payable during 2023-24 to not later than 5 years	NIL	35.06

22. The Distillery Unit declared cessation and lock-out of the Unit with effect from 19th December, 1991 and 5th January, 1992 respectively. The lockout has since been lifted. The U.P. Government, suo moto, has referred the matter to the Industrial Tribunal to decide the legality of the lockout. Pending final decision, no provision has been made for wages ₹ 27.46 Lac for the lockout period.
23. The Sugar Unit of the Company has discounted sales bills raised on G.S. Pharmbutor Pvt. Ltd. amounting to ₹ 906.41 Lac (Previous Year ₹ NIL) from certain individual persons/HUF/Firms etc. and the same (net of discounting charges) has been credited to the account of G.S. Pharmbutor Pvt. Ltd. Balance outstanding of bills discounted as on 31st March, 2022 amounts to ₹ 667.02 Lac (Previous year ₹ Nil) (which were paid fully subsequently by the drawees) and has been shown in Note 27(1)(c) of Standalone Financial Statement as Bills Discounting.
24. No provision has been made for Earned Leave for Steel Unit- upto 1991-92, amount unascertained.
25. Allahabad Bank had filed a recovery suit for recovery of ₹ 2141 Lac against Modi Industries Limited and others before the Debt Recovery Tribunal (DRT), Lucknow in April, 2005. The Company challenged the recovery suit on the grounds that bank required prior permission under section 22 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985 for filing recovery suit. Debt Recovery Tribunal, Lucknow, allowed continuation of recovery suit against which Company filed appeal with Debt Recovery Appellate Tribunal, (DRAT) Allahabad. The DRAT had stayed further proceedings by DRT in the matter. A writ petition was filed by the Company before the Lucknow Bench of Allahabad High Court challenging the orders of the DRT, Lucknow and DRAT, Allahabad. The Lucknow Bench of Allahabad High Court noting the contention of the Company has disposed off the Writ Petition by its order dated 18th July, 2008. The Company has filed review petition against the said order seeking the quashing of the Allahabad Bank's suit before the DRT, which is still pending.
26. Due to a fire on 13-07-2019 in the office premises and records room of Sugar and Distillery Units of the Company, most of the records including supporting documents/invoices etc. of transactions attached with the vouchers for the Financial Year 2014-2015 to 2018-19 and for the period April 2019 to the date of fire were destroyed/damaged almost completely. These accounting records which includes initial accounting entries, reconciliations & other work sheets etc. will be re-generated and supporting records such as invoices, contracts, checks and records of electronic fund transfers etc. will be obtained from the third parties to the extent possible and this process will take considerable amount of time. In the meanwhile, since the accounting data including all ledgers stored in computer ERP system, were intact, this facilitated the

- preparation of Financial Statements of Sugar and Distillery Units of the Company for the Financial Year 2018-19 and 2019-20.
27. No confirmation letters were sent to debtors/creditors. In the absence of such confirmations, the balances in respect of Sundry Debtors, Creditors, borrowings, loans and advances given including interest accrued and other accounts are taken as shown by the books of accounts and are subject to adjustments and reconciliation, if any.
28. **Other Regulatory Information:**
- (i) The Company do not have any Benami property. Accordingly, no proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder. Accordingly, no disclosure is required to be given.
- (ii) The Company has not identified transactions with companies struck off, if any, under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- (iii) The Company do not have any charges or satisfaction which are yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year.
- (v) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies) including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or
- (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) In the past the Company had taken various loans from various Insurance Companies/Financial Institutions (FIs) and Banks ("Secured Creditors") which was overdue for payment because the Company was declared as Sick Company as per the provisions of SICA. Now, the Company is in the process of the payment of the dues of Secured Creditors. The Company is not declared as willful defaulter by any bank or financial institution or other lender during the financial year 2021-22.
- (ix) The Company has no subsidiaries. Accordingly, provisions of clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, is not applicable.
- (x) Even though the Company has borrowings from bank on the basis of security of current assets, no quarterly returns or statements of current assets are filed by the Company with the bank as the cash credit account with the bank is inoperative since long (Refer Note No. 27(19)(c).
- (xi) The Company has not granted any loans or advances in the nature of loans to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013) during the Financial Year 2021-22 either severally or jointly with any other person.
- (xii) Title deeds of Immovable Properties not held in the name of Company:
- (a) Title deeds of immovable properties are held in the custody of financial institutions as security for loans taken. All title deeds of immovable properties are held in the name of the Company even though the Company has not obtained any confirmation of financial institutions holding these title deeds stating that all the title deeds are held in the name of the Company.
- (b) The Government of India through its department named as Custodian for Enemy Property for India passed an order dated 11.01.2022 and vested the various pieces of Industrial Land of the Company situated at Modinagar. Against the said vesting, the Company has filed its representation before the Custodian as provided in the Enemy Property Act, 1968, on which the enquiry is on going and the matter is pending for adjudication.

- (xiii) No scheme of arrangement has been approved by the competent authority in terms of section 230 to 237 of the Companies Act, 2013.
 - (xiv) The Company has not borrowed any money from Banks and Financial Institutions for any specific purpose during the current financial year.
 - (xv) In the opinion of the Board, all the assets other than (Property, Plant & Equipment, Intangible assets and Non-current Investments) and of assets of Steel Unit incorporated in the Standalone Financial Statements have a value on realization in the ordinary course of business at least equal to the amount at which these are stated in the Standalone Financial Statements.
29. Delhi Excise Authorities issued Show Cause Notices and raised demand for ₹167.43 Lac towards Risk-Purchase of Country Liquor in view of non-supply of the same by Distillery Unit of the Company. Company has disputed the above demand and a Writ Petition was filed before the Hon'ble Delhi High Court who ordered the case to be referred back to Collector of Excise for taking final decision. The Collector of Excise vide its order dated 27th June, 2003 has confirmed the above demand against which the Company has filed a writ petition before the Hon'ble Delhi High Court. On the basis of orders of Hon'ble Delhi High Court, the Company has deposited ₹50.00 Lac till date against the above demand. No provision is considered necessary at this stage since the matter is sub-judice.
30. (A) **Exceptional Items of the current financial year:**
- (i) During the current financial year the Sugar Unit of the Company has paid quality claims of ₹ 144.51 Lac relating to sales effected till 31st March, 2021.
 - (ii) In view of the settlement of dues of debentures with certain parties during the current year, the interest amounting to ₹ 468.49 lac for the period upto date of payment has been accounted for as an exceptional item in the Statement of Profit & Loss Account.
 - (iii) Property, Plant and Equipment held for sale in closed units were sold during the current financial year and profit on sale amounting to ₹ 494.38 Lac is shown as an additional item.
 - (iv) Unclaimed/unpaid credit balances of ₹ 203.97 lac which were outstanding for more than five years in the books of account of closed units and CAD has been written back as income during the current financial year as an "Exceptional item".
- (B) **Exceptional Items of the previous year:**
- (i) Modinagar Municipal Committee (MMC) had determined the basis/liability of house tax payable

by the Company for the years 1982-83 to 2006-07 at ₹ 213.55 Lac (Net of payment/payable ₹ 195.64 Lac) which was disputed by the Company and water tax demand for the years 2017-18 to 2019-20 at ₹ 39.91 Lac. During the previous year, net liability of ₹ 235.55 Lac of House Tax and Water Tax have been provided for in the accounts as an exceptional item and the payment has been made in instalments as agreed with MMC.

(ii) **Profit on sale of shares of Subsidiaries:**

Due to delay in payment of the sugarcane dues (for the reasons beyond its control), the Company received a Recovery Certificate (RC), issued on 4th September, 2020, against Modi Industries Limited (MIL) under the U.P. Sugarcane (Regulation of Supply and Purchase) Act, 1953 wherein, it was stated that if the payment is not made, State Government of Uttar Pradesh shall initiate the process of recovery against the company by auctioning the properties of the Company and it may also take coercive actions against the Directors of the Company.

The Company has previously in the year 2019 appointed KPMG India Pvt. Ltd.

('KPMG'), to independently prepare a restructuring scheme for the Company with the basic intent/purpose to find a holistic solution to the problem of ever-increasing liabilities of the Company and to make the Company debt free. The Board of Directors in its meeting held on 05.10.2020 and in view of the urgency of the matter, approved sale of its un-productive assets which are not related to the operations of the Company at a price not less than the price ascertained by the RBSA Valuation Advisors LLP (valuers appointed by KPMG India Pvt. Ltd). The Audit Committee and the Board of Directors of the company unanimously approved sale of investments held by company in the equity shares of the subsidiary companies i.e Your Investment (India) Limited and Own Investment (India) Limited at the fair market price determined by the RBSA Valuation Advisors LLP (RBSA) and also treated these sale transactions in its ordinary course of business and done on an arm's length basis and accordingly covered under 4th proviso of Section 188(1) of The Companies Act, 2013 which is also supported by a legal opinion obtained by the Company. Details of the sale considerations are given below;

S. No.	Name of Company	Number of Shares	Value Per Share (in ₹)	Total Consideration (₹ in Lac)
1	Your Investment (India) Limited	21,450	4147	889.53
2	Own Investment (India) Limited	13,200	6320.9	834.36
Total				1723.89

Accordingly, a Memorandum of Understanding dated 24.11.2020, has been executed by and between Longwell Investment Pvt Ltd and A to Z Holding Pvt Ltd as well as Your Investment (India) Limited and Own Investment (India) Limited whereby, it was agreed that 21450 equity shares of Your Investment (India) Limited will be transferred to Longwell Investment Pvt Ltd and 13200 equity shares of Own Investment (India) Limited will be transferred to A to Z Holding Pvt Ltd. The company received an amount of ₹ 219 Lac as an advance upon execution of the said Memorandum of Understanding. The transfer of shares could not take place during the said period as the Demat Account of the Company was suspended / freeze on account of some technical issue at the end of Modi Rubber Ltd. The suspension of the Company's Demat Account was only on account of the fact that the Company is one of the promoters of Modi Rubber Ltd.

Further, in the month of March, 2021, the Company made a request to Longwell Investment Pvt Ltd. and A to Z Holding Pvt Ltd., to immediately release the balance sale consideration amount ₹ 1504.89 Lac and the buyer company released the said consideration to the Company on March 18, 2021 and the Company also executed Irrevocable Power of Attorney in favour of buyer companies vis-à-vis the shares before March 31, 2021. As per the Understanding arrived between the parties, the shares shall be deemed to have been transferred irrecoverably upon payment of entire sale consideration. The proceeds received by the Company from the sale of shares was subsequently utilized to clear the outstanding dues of the cane growers.

The suspension of the Demat Account of the Company has been lifted / revoked with effect from 15.03.2021 and the transfer of shares was done on April 12, 2021.

Keeping in view of principle of substance over form, the above sale of investments has been accounted for in the financial year ended March 31, 2021 and accordingly recognized profit on sale of investments

of ₹ 1689.24 Lac as an "Exceptional Item" in the Statement of Profit and Loss for the financial year ended March 31, 2021 even though the equity shares of Your Investment (India) Limited and Own Investment (India) Limited were transferred to the buyer companies i.e., Longwell Investment Pvt Ltd. and A to Z Holding Pvt Ltd. on 12.04.2021.

- (iii) During the Financial year ended 31st March, 2021, the Sugar Unit of the Company has paid Interest of ₹ 330.00 Lac on cane Price arrears for the sugar season 2018-19. Interest amounting to ₹ 330.00 Lac relates to the period upto 31st March, 2020.

31. (A) The Company, pursuant to the decision taken in Board Meeting held on 31.03.1986, had issued 2,27,960 12.5% partly convertible debentures of Rs. 250/- each. The convertible part of Rs. 50/- of each fully paid-up debenture was duly converted into 5 fully paid-up equity shares of Rs. 10/- each as per the terms of the issue and non-convertible portion of Rs. 200/- each debenture continued with MIL. These debentures were required to be redeemed as per the condition no. v of the issue of the said Debentures (as well as Article – III, clause – v of the debenture agreement) deals with Redemption and the same clause is reproduced herein below:

"The Non-convertible part of Rs. 200 of each Debenture shall be redeemed at par in three annual instalments of Rs. 65/-, Rs. 65/- and Rs. 70/- at the end of 7, 8 and 9 years respectively from the date of allotment. The interest on the Debentures shall cease to accrue and shall cease to be payable from the dates of their redemption."

Since, the net worth of 'MIL' had eroded and become negative, therefore, in terms of the erstwhile Sick Industrial Companies Act, 1985 ('SICA'), MIL was declared as a 'Sick Company' and before any scheme could be finalized, the SICA was repealed. The financial position of MIL continues to be precarious, however, it is the continuing endeavor of the Company to liquidate all its liabilities and redeem the aforesaid Debentures in a reasonable time frame and through a practical mechanism, in due compliance of the law as the time being in force.

The Company in the year 2020 as well as 2022 published Public Notices in the Newspapers on the below mentioned dates to inform the concerned Debenture holders to get their matured debentures redeemed from the Company in accordance with the terms & conditions of the Debentures.

Additionally, the Company had also sent personal letters to all the concerned Debenture holders on 07th April, 2022 through Registered post informing them and inviting them to get their matured Debentures redeemed within 20 days of publication of such Public Notice, failing which, the redemption amount will be

transferred to Investor Education and Protection Fund (IEPF). The details of the newspapers notices are given herein below:-

Sr. No.	Date of Publication of Public Notice	News Papers' Name	Language
First Notice	22/12/2020	Jansatta	Hindi
First Notice	22/12/2020	The Pioneer	English
Final Notice	08/04/2022	The Pioneer	Hindi
Final Notice	08/04/2022	The Pioneer	English

Thereafter, pursuant to the aforesaid Public Notices and as per the decision taken by the Board of Directors in its Meeting dated 12th April, 2022, the Company transferred an amount of ₹ 525.99 Lac into designated account of the Investor Education and Protection Fund (IEPF), on 30th April, 2022 through Punjab National Bank, Parliament Street Branch, New Delhi vide SRN- X13283197.

The said step has been taken by the Company in due compliance of the provision of Section 125 of the Companies Act, 2013 and Rules made thereunder. The amount transferred by the Company in IEPF account was ₹ 525.99 Lac comprising of ₹197.81 Lac for matured Debentures and ₹ 328.18 Lac for interest accrued on such matured Debentures upto the date of maturity as per terms of the issuance of the Debentures. The payment made by Company to IEPF through Punjab National Bank, Parliament Street Branch, New Delhi on 30th April, 2022 vide challan No. X13283197.

The details of the Debentures are given below:

Particulars	No. of Debentures
No. of Debentures Issued as on 31st March, 1986	2,27,960
No. of Debentures remained unpaid as on 31st March, 2021	1,60,823
No. of Debentures redeemed during FY 2021-22	2,026
No. of Debentures Redeemed during the Final Notice Period	478
Unclaimed Debentures transferred to IEPF Account	98,907#

- Excluding 57,012, 12.5% Debentures of Rs.200 each purchased by 3A Capital Services Limited (on 14.11.2015 and 09.02.2016 in auction from Canbank Financial Services Ltd.) in respect whereof it had issued a demand notice to the Company on 04.04.2019, interalia, seeking redemption of the said Debentures.

Thereafter, disputes had arisen between the Company and 3A Capital Services Ltd. regarding the redemption of the said debentures and multiple cases were filed by the Company and 3A Capital Services Ltd. against each other., however, during the current financial year (i.e.

2022-23), 3A Capital Services Ltd. entered into an out of court settlement with the Company and as on date, the company has no outstanding dues towards 3A Capital Services Ltd..

#Since New India Assurance Company Limited has claimed their dues for the 12.5% 2400 Debentures, therefore, the Company didn't transfer the principal and interest due thereon upto the date of maturity in the Investor Education and Protection Fund.

31. (B) During the year under review the Company has settled the outstanding 15% 20,000 debentures of Rs. 100 each held by Life Insurance Corporation of India Limited (LIC). Further, the Company also settled the 15% 2000, 400, 400 Debentures of Rs. 1000 each held by Life Insurance Corporation of India Limited (LIC), General Insurance Corporation of India and United India Insurance Company Limited respectively.
32. Till 31st March, 2022, certain Quarters of the Company were occupied unauthorizedly by ex-employees/outside. The Company has entered into "Agreement to Sell" for 215 (Previous year 215), such residential quarters with such parties. Sale consideration amounting to ₹ 504.50 Lac (Previous year ₹ 504.50 Lac) has been received as interest free advance. These "agreements" clearly stipulates that final sale of such quarters are subject to approval of Financial Institutions to whom these quarters have been mortgaged and the Company proposes to seek the same before affecting final sale of such quarters. Accordingly, the sale of such quarters will be accounted for only on receipt of approval of Financial Institutions. Further the Company has been legally advised that it can enter into such "Agreements to Sell".
33. (a) The Steel Unit of the Company has entered into few leases, including perpetual leases, agreements for certain portions of the factory land and building admeasuring 76,131.06 Sq. Mtrs (Previous year 70,693.23 Sq. Mtr.) for which of the major secured creditors namely SBEC Sugar Limited and TC Healthcare Pvt. Ltd. has been taken but the approval of certain lenders, to whom the factory land and buildings are mortgaged, is yet to be obtained. However, the Company has been legally advised that it can enter into such lease agreements. Further, the lease money was mainly utilized for payment of can dues, workers and statutory dues.
- (b) The Company was declared Sick, and the proceedings were pending before BIFR/AAIFR on account of the fact that the net worth of the Company had turned negative. As a result of the same, it was becoming impossible for the Company to avail loans through banks / other financial institutions etc. As the Company continues to be an ongoing concern, in spite of it being declared sick, it was in obvious need of funds to ensure that the company could continue its day to day operations, which was in the larger interest of the shareholders

and thousands of workman employed with it. It is imperative to note that since the net-worth of the company had turned negative, no bank / financial institution was willing to extend any credit facilities to the Company. Having left with no other option, the Company was constrained to borrow monies by way of Inter Corporate Deposits (ICDs) on which it was paying heavy rate of Interest. Apart from other liabilities, the Company continues to face the challenge (common to all sugar mills in the State of Uttar Pradesh) to clear the outstanding cane dues, which not only shall protect the company from any coercive action but shall also reduce the interest liability being fastened upon the Company on account of delayed cane payment. In order to reduce the heavy rate of interest on ICD's and to explore the channel for payment of cane dues, the Company had approached KPMG India Pvt. Ltd ("KPMG") and KPMG recommended the appointment of RBSA Valuation Advisors LLP ("RBSA"), an independent agency to value the unproductive assets, which are not the units / undertakings / factories of the Company i.e. few parcels of vacant land, constructed property one of the oldest building of the Company (the said building was constructed 50 years ago for which the company is spending huge amount of money for its basic upkeep and security) for the purpose of determining the current market value. The RBSA has submitted its valuation report to the Company. The company was able to negotiate with few parties and has entered into certain Memorandum of Understandings, wherein these companies have made certain advances to the company basis the current market value determined by the valuers, thereby enabling the Company to somewhat reduce its liabilities as well as the interest thereon.

34. (a) Recovery Certificate (RC) was issued on 1st May, 2004 on account of non-payment of cane price / commission / interest due to Co-operative Societies for the sugar season 2003-04. The Hon'ble High Court has stayed the recovery proceedings against the Company subject to payment of dues upto 31st July, 2004. The Company has complied with the conditions regarding payment of cane price and commission on basic SMP upto 31st July, 2004. However, the Company has disputed the payment of interest of ₹142.00 Lac and recovery charges of ₹236.00 Lac in the Hon'ble Allahabad High Court which is still pending. On consideration of prudence, the Company has made provision for interest of ₹142.00 Lac during the year 2004-05.
- (b) Recovery Certificate (RC) was issued on 10th August, 2007 on account of non-payment of cane price / commission / interest due to Co-operative

Societies for the sugar season 2006-07. The above RC also includes interest of ₹ 340.66 Lac upto 7th August, 2007 on cane price / commission payable to societies and recovery charges of ₹ 426.95 Lac which has not been provided for in the books of account. As per the Interim Order dated 27th February, 2008 of Hon'ble Supreme Court, there shall not be any recovery charges or interest for delayed payment at this stage.

- (c) Recovery Certificate (RC) was issued on 18th March, 2008 on account of non-payment of cane price / commission / interest due to Co-operative Societies for the sugar season 2007-08. The above RC also includes recovery charges of ₹ 413.50 Lac which has not been provided for in the books of account.
- (d) Recovery Certificate (RC) was issued on 20th April, 2011 on account of non-payment of cane price / commission / interest due to Co-operative Societies for the sugar season 2010-11. The above RC also includes recovery charges of ₹ 268.25 Lac which has not been provided for in the books of account as stay granted by Hon'ble Allahabad High Court.
- (e) Recovery Certificate (RC) was issued on 21st February, 2014 on account of non-payment of cane price / commission / interest due to Co-operative Societies for the sugar season 2012-13. The above RC also includes interest of ₹ 1246.58 Lac and recovery charges of ₹ 450.79 Lac. No provision has been made for recovery charges in the books of account. Hon'ble Allahabad High Court vide its order dated 16th April, 2014 has stayed the recovery charges of ₹ 278.99 Lac. Further the Company has paid interest on cane arrears.
- (f) Following three recovery certificates were issued by Cane Commissioner for Sugar Season 2013-14 to 2015-16 on account of delayed – payment of cane price / interest due to Co-operative Societies:

(₹ in lac)

Sugar Season	Interest as per RC	Total Interest Liability	Recovery Charges
2013-14	803.85	2,138.58	1,704.67
2014-15	1,300.78	2,378.57	1,703.95
2015-16	979.65	1,763.36	1,394.81

- (i) **Recovery Charges:**

Writ petitions were filed against recovery charges by the Company and Hon'ble Allahabad High Court vide its order dated 4th May, 2017 stayed recovery charges for the above three sugar seasons and directed the authorities to reconsider issue of 10% recovery charges in the light of directions issued in the case of Mahrajwa (supra). Further proceedings are pending.

(ii) **Interest Charges:**

State Government waived interest charges of the above three sugar seasons. In a writ filed against the above by Rashtriya Kisan Mazdoor Sangathan, the Hon'ble Allahabad High Court set aside the above decision of the State Government for waiver of interest for all the three years 2012-13, 2013-14, 2014-15 and asked the Cane Commissioner to look into the grievance of farmers that has been so raised and then examine the claim of each and every Company on the parameters that have been so detailed in the order. Cane Commissioner will take final call in the matter within next four months from the date of receipt of certified copy of the order dated 09/03/2017 as per law.

Further proceedings are pending.

- (g) No provision for Interest of ₹ 2,286.61 Lac (Previous Year ₹ 2616.61) for the Sugar Season 2018-19 has been made.
- (h) No provision for Interest of ₹ 3,066.89 Lac (Previous Year ₹ 511.70 Lac) for the Sugar Season 2019-20 has been made.
- (i) No provision for Interest of ₹ 2485.90 Lac (Previous Year ₹ 393.78 Lac) for the period upto 31st March, 2022 for the Sugar Season 2020-21 has been made.
- (j) No provision for Interest of ₹ 432.36 Lac for the period upto 31st March, 2022 for the Sugar Season 2021-22 has been made.
- (k) Recovery Certificate (RC) was issued on 20th February, 2020 on account of non-payment of cane price/ commission / interest due to Co- operative Societies for the Sugar Season 2018-19. The above RC also includes recovery charges of ₹ 1041.79 Lac. In view of the direction issued in the case of Mahrajwa (Supra) as stated in note 34(f)(i) above, no provision for recovery charges is considered necessary by the management.
- (l) Recovery Certificate (RC) was issued on 12th October, 2020 on account of non-payment of cane price/ commission / interest due to Co- operative Societies for the Sugar Season 2019-20. The above RC also includes recovery charges of ₹ 2416.46 Lac. In view of the direction issued in the case of Mahrajwa (Supra) as stated in note 34(f) (i) above, no provision for recovery charges is considered necessary by the management.

35. Impairment of assets, if any, as per Accounting Standard AS-28 i.e. impairment of assets has not been ascertained in Sugar Unit.

36. The following are the particulars of dues on account of sales tax, excise duty, entry tax, income tax, House Tax, Water Tax and others as at 31st March, 2022 that have been disputed by the Company in appeals pending before appellate authorities {Refer Note No. 27(4)}.

(₹ in Lac)

Name of statute	Nature of the dues	Amount of dues	Amount deposited under protest	Period to which the amount relates	Forum where disputes is pending
U.PVAT Act	VAT Tax, Penalty, Interest, Exemption to New Units.	2732.96	18.35	1982-83 to 1984-85, 1987-88, 1990-91 & 1991-92, May 91 to March 96	Allahabad High Court.
	VAT Tax and Penalty	165.16	113.58	1952-53, 1981-82, 1984-85 to 1985-86, 1992-93, 1995-96, 1998-99, 2000-01 to 2001-02, 2007-08	Commercial Tax Tribunal, Ghaziabad
	VAT Tax and Penalty	362.78	138.67	1986-87, 1994-95 to 1999-2000	Joint Commissioner (A), Ghaziabad.
	VAT Tax	133.67	-	1986-87, 1988-89, 2001-02, 2003-04. 2005-06	Deputy Commissioner. (Assessment), Modinagar.
	Penalty under VAT Tax	4.37	0.45	2008-09	Trade Tax Tribunal, Ghaziabad
Central Sales Tax Act	Central Sales Tax	96.72	3.53	1986-87, 1992-93, 1997-98 and 2000-01	Commercial Tax Tribunal, Ghaziabad.
	Central Sales Tax	50.25	9.68	1994-95 to 1996-97 and 1999-2000	Joint Commissioner Sales Tax, Ghaziabad
	Central Sales Tax	6.76	-	1997-98, 2005-06	Deputy Commissioner (A), Modinagar
State Sales Tax Act	State Tax	10.56	0.20	1992-93	Additional Commissioner, Sales Tax, Delhi.
	Sales Tax	5.97	2.00	1985-86, 1997-98, 2002-03, 2004-05 & 2005-06	State Tax
	Sales Tax	0.82	0.05	2014-15	State Tax

Name of statute	Nature of the dues	Amount of dues	Amount deposited under protest	Period to which the amount relates	Forum where disputes is pending
	Penalty (HGST)	0.30	-	1991-92	Tribunal Sales Tax, Chandigarh.
	State Tax	15.79	1.79	1989-90 to 1993-94, 1998-99 and 2006-07	Deputy Commissioner (A), States
Central Sales Tax Act (States)	Central Sales Tax	1.92	0.29	1988-89 to 1992-93.	Appellate Authority/ DC (Appeals), Delhi
Central Excise & Custom Act	Custom duty	43.91	-	1.3.2001 to 25.4.2001	Civil Court, Ghaziabad.
	Excise Duty	0.70	-	2002-03 & 2003-04	Supreme Court of India.
	Excise Duty	70.40	-	2008-09 to 2012-13	Commissioner (Appeals), Meerut.
Central Excise & Custom Act	Excise Duty	167.43	50.00	1985-86	Delhi High Court
		0.49	0.25	2004-05	Allahabad High Court.
		0.74	0.20	1996-97	Commissioner of Central Excise, Ghaziabad.
		**56.66	-	February, 1981 to February, 1987 October 2002 to January 2005	CESTAT
		5.00	-	Information not available.	Information not available.
		6.34	6.34	2009 onwards	Supreme Court of India
Sales Tax Act	Sales Tax and Entry Tax	1959.28	-	2015-16	Dy Commissioner (A), Modinagar & Addl. Commr(Appeal), Ghazidabad
Sales Tax Act	Tax on sale of Molasses	236.85	-	2011-12, 2012-13 and 2013-14	Demand stayed by Allahabad HC dtd 19.4.2010

@ Provided for ₹82.60 Lac in the Accounts

*Provided for in the Accounts.

**Provided for ₹32.20 Lac in the Accounts

37. RELATED PARTIES DISCLOSURE

1. Key Management Personnel :

Shri Umesh Kumar Modi, Chairman and Managing Director

2. Other Related Parties with whom the Company had transactions etc :

Enterprises over which the Key Management Personnel and their relatives are able to exercise significant influence:

Bihar Sponge Iron Limited
Longwell Investment Pvt. Ltd.
SBEC Bio-energy Limited
SBEC Sugar Limited
Moderate Leasing & Capital Services Limited
Modi Hitech India Limited
Technicast Engineers Limited
SBEC System India Limited
Modi Mundipharma Private Limited
Win-Medicare Private Limited
Modi Motors Private Limited
Modi Illva India Private Limited
Modi Line Travel Services Private Limited
Modi Mundipharma Beauty Products Private Limited
Modi Senator (India) Private Limited
Jayesh Tradex Private Limited
A to Z Holding Private Limited
Modi Casings and Packaging Private Limited

3. Disclosure of transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2022:

(A) Transactions with the enterprises over which the Key Management Personnel and their relatives are able to exercise significant influence: (Refer Foot Note 1& 2 below)

	(₹ in Lac)	
Particulars	2021-22	2020-21
Sale of Goods		
Modi Mundipharma Pvt. Ltd.	-	27.83
Jayesh Tradex Pvt. Ltd.	3.39	4.91
SBEC Sugar Limited	0.35	3.19
Win Medicare Private Limited	1.82	1.88
Modi Illva India Private Limited	0.41	0.32
Modi Hitech India Ltd.	1.86	0.12
Modi Motors Pvt. Ltd.	1.82	0.11
	9.65	38.36
Job Work Charges received		
Modi Hitech India Limited	236.06	-
Annual License Fee received		
Modi Hitech India Limited	2.50	-
Royalty Fee received		
Modi Hitech India Limited	2.28	-
Purchase of Goods/Raw Materials		
SBEC Sugar Limited	8.10	16.20
Modi Casings & Packaging Private Limited	393.85	-
Jayesh Tradex Private Limited	199.16	157.98
Modi Senator (India) Pvt. Ltd.	20.00	-
Modi Hitech India Limited	23.37	25.47
Modi Motors Private Limited	338.24	27.48
Modi Mundi Pharma Beauty Products Pvt.Ltd.	1.77	2.47
	984.49	229.60
Purchase of Assets		
Jayesh Tradex Private Limited	10.29	6.01
Modi Hitech India Limited	178.56	-
SBEC Sugar Limited	0.80	-
SBEC Bioenergy Limited	0.68	-
	190.33	6.01
Rental Income		
Win Medicare Private Limited	276.83	96.83
Modi Motors Private Limited	12.00	12.00
Modi Mundipharma Private Limited	0.18	0.18
Modi Mundi Pharma Beauty Products Pvt.Ltd.	0.36	0.36
Jayesh Tradex Private Limited	37.71	-
Modi Casings & Packaging Private Limited	1.42	-
Others	0.14	0.16
	328.64	109.53
Payment of Lease Rent		
SBEC Bio-energy Limited	-	5.56

	(₹ in Lac)	
Particulars	2021-22	2020-21
Expenses reimbursed		
Win Medicare Private Limited	0.05	0.16
SBEC Sugar Limited	-	0.11
Jayesh Tradex Private Limited	-	0.11
Modi Mundi Pharma Beauty Products Pvt.Ltd.	0.005	-
	0.05	0.38
Sale of shares/investments {Refer Note No. 27(30)(B)(ii)}		
A to Z Holdings Pvt. Ltd.	-	834.36
Longwell Investments Pvt. Ltd.	-	889.53
	-	1723.89
Expenses realized		
SBEC Sugar Limited	1.96	4.90
Win Medicare Private Limited	5.51	-
Jayesh Tradex Private Limited	24.94	-
Modi Hitech India Limited	2.29	-
	34.70	4.90
Interest paid on Loan taken		
Moderate Leasing & Capital Services Limited	181.13	79.84
Interest Income		
Moderate Leasing & Capital Services Limited	9.03	-
Loan and Advances taken		
Moderate Leasing & Capital Services Limited	3716.79	1095.29
Receiving of Services		
Modi Line Travel Services Private Limited	7.27	2.97
Debentures redeemed (including Interest ₹5.60 Lac)		
Moderate Leasing & Capital Services Limited.	-	10.60
Security Deposit received		
Moderate Leasing & Capital Services Limited.	-	1432.00
Win Medicare Private Limited	1452.00	-
	1452.00	1432.00
Refund of Loan and Advance		
Moderate Leasing & Capital Services Limited.	2123.27	499.00
A to Z Holdings Pvt. Ltd..	24.88	-
Refund of Security Deposit		
Moderate Leasing & Capital Services Limited.	1432.00	-
(B) Balances outstanding at the year end: (Refer Foot Note 1 below)		
Amount Recoverable		
Sundry Debtors:		

Particulars	(₹ in Lac)	
	2021-22	2020-21
Win Medicare Private Limited	4.03	0.29
SBEC Sugar Limited	-	1.63
Modi Illva India Private Limited	3.20	3.22
Bihar Sponge Iron Limited	2.83	4.74
Modi Senator (India) Pvt. Limited	0.85	0.85
Modi Mundipharma Private Limited	0.65	0.65
Technicast Engineers Limited	0.51	0.51
	12.07	11.89
Interest payable		
Moderate Leasing & Capital Services Limited	118.14	73.85
Amount payable		
SBEC Sugar Limited	6.60	499.23
SBEC Bioenergy Limited	-	22.55
Modi Mundi Pharma Beauty Products Private Limited	39.36	39.58
Jayesh Tradex Private Limited	48.23	34.25
Modi Motors Pvt. Ltd.	3.70	2.62
Modi Hitech India Limited	263.97	14.45
Modi Line Travel Services Private Limited	1.13	1.10
Modi Casings & Packaging Private Limited	91.12	-
SBEC System India Limited	-	2.69
Unsecured Loan taken Outstanding		
A to Z Holding Private Limited	-	24.89
Moderate Leasing & Capital Services Limited	783.84	2178.66

(C) Payment to the Key Management Personnel:	(₹ in Lac)	
	Year	
	2021-22	2020-21
Amount payable (for gratuity)	3.35	3.35

Foot Notes:

- The above excludes amount payable/receivable to/from related parties in the books of Steel Unit in view of non-incorporation of Balance Sheets for these years on account of non-availability of opening audited balances as on 01.04.1993.
- Transactions with the enterprises over which the Key Management Personnel and their relatives are able to exercise significant influence excludes amounts relating to Electrode, Paint and Gas Units and Central Accounts Department (CAD) for the years 2016-17 to 2020-21 even though these are incorporated in the standalone financial statements of the Company in this financial year as these were not compiled. {Note No. 27(9)}. Further, balance outstanding as on 31st March, 2021 of related parties in the books of these units/CAD are not incorporated in previous year figures.
- During the Financial Year 2017-18, short term unsecured interest free advance amounting to ₹30.00 Lac was given to a party which has been transferred to another party during the previous financial year and is outstanding as on 31st March 2022.
- Additional information as required by Schedule III of Companies Act, 2013:

(i) Prior period items:**(₹ in Lac)**

Sl. No.	Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
(A)	Income	-	-
(i)	Revenue from operations	-	-
(ii)	Other Income	-	-
	Total	-	-
(B)	Expenditure		
(i)	Quality Claim	144.51	-
(ii)	Employees Benefit Expenses	0.10	-
(iii)	Finance Cost	12.42	-
(iv)	G.S.T. Expenses	43.70	-
(v)	Other expenses (Net of reversal)	9.26	-
	Total	209.99	-

Note : Also refer Note No. 27(9)(b) for prior period Income and Expenses of three units and CAD for 5 years incorporated in financial year 2021-22.

(ii) Cost of materials consumed:**(₹ in Lac)**

Sl. No.	Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
(a)	Sugar cane	32,881.57	28,865.21
(b)	Molasses	196.08	236.06
(c)	Extra neutral alcohol (ENA)	3,622.38	2,624.00
(d)	Vatted Malt Scotch Whisky	3,933.91	2,516.43
(e)	Special Denatured Spirits	-	119.20
(f)	Blended Malt Scotch	239.62	74.04
(g)	Others	644.90	485.82
(h)	Job Work	24.95	-
	Total	41,543.41	34,920.76

(iii) Manufactured goods:**(₹ in Lac)**

Sl. No.	Particulars	Sales @		Opening Inventory		Closing Inventory	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022#	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
(a)	Sugar	34,752.27	30,814.93	6,038.48	5,454.83	7,069.19	6,038.48
(b)	Molasses (By product)	2,550.51	1,514.61	635.06	468.59	810.61	635.06
(c)	Bagasse (By product)	829.45	358.58	25.80	29.00	40.64	25.80
(d)	Spirit	-	15.96	5.37	73.66	0.26	5.37
(e)	Extra neutral alcohol (ENA)	-	-	-	-	-	-
(f)	Indian made foreign liquor (IMFL)	84,006.95	65,537.81	3,238.43	3,198.14	4,764.37	3,238.43
(g)	Blended Scotch Whisky	253.05	72.81	-	-	-	-
(h)	Bio-organic manure	6.88	8.60	-	-	-	-
(i)	Special denatured spirit	266.69	470.75	-	5.37	-	-

(₹ in Lac)

Sl. No.	Particulars	Sales @		Opening Inventory		Closing Inventory	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022#	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
(j)	Hand Sanitizer	-	335.74	-	-	-	-
(k)	Paints & Varnish	-	-	-	-	-	-
(l)	Disolved Acetylene	-	-	-	-	-	-
(m)	Carbon di oxide	-	-	-	-	-	-
(n)	Argon	-	-	-	-	-	-
(o)	Oxygen	-	-	-	-	-	-
(p)	Welding Electrodes	11.37	-	-	-	-	-
(q)	Flux	-	-	-	-	-	-
	TOTAL	1,22,677.17	99,129.79	9,943.14	9,229.59	12,685.09	9,943.14

@ Inclusive of Excise-duty but excludes rebates and discounts.

Refer Foot Note to Note No. 21 for difference in opening stock of ₹235.97 Lac

(iv) *Traded goods:-

(₹ in Lac)

Sl No.	Particulars	Sales		Purchases		Opening Inventory		Closing Inventory	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022#	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
(a)	Satina Uni. Stainer	-	-	-	-	-	-	-	-
(b)	Glowlite putty	-	-	-	-	-	-	-	-
(c)	Cane Pesticides	148.33	132.51	148..33	132.51	-	-	-	-
(d)	Oxygen Gas	-	-	-	-	-	-	-	-
(e)	Nitrogen Gas	-	-	-	-	-	-	-	-
(f)	Hydrogen Gas	-	-	-	-	-	-	-	-
(g)	N2H2 Mixure	-	-	-	-	-	-	-	-
(h)	Carbon di oxide Gas	-	-	-	-	-	-	-	-
(i)	Argon Gas	-	-	-	-	-	-	-	-
(j)	Zero Air Gas	-	-	-	-	-	-	-	-
(k)	Freight on above	-	-	-	-	-	-	-	-
	Total	148.33	132.51	148.33	132.51	-	-	-	-

#Disposed of during previous five years. Refer Note No. 27(9) and Foot Note to Note No.21.

(v) Services rendered:-

(₹ in Lac)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Job Work Income	261.00	-
Sale of Export Entitlement	-	164.09
Bottling Charges	47.96	48.61
TOTAL	308.96	212.70

(vi) Work-in-progress:-**(₹ in Lac)**

S.I.No.	Particulars	Opening Inventory		Closing Inventory	
		For the year ended 31 March 2022#	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021#
(a)	Sugar	365.74	246.92	323.63	365.74
(b)	Indian made foreign liquor (IMFL)	75.55	82.58	67.86	75.55
(c)	Paints & Varnish	-	-	-	-
(d)	Welding Electrodes	-	-	-	-
(e)	Flux	-	-	-	-
TOTAL		441.29	329.50	391.49	441.29

#Refer Foot-Note to Note No. 21.

(vii) Other Information:-**(₹ in Lac)**

Sl.No.		For the year ended 31 March 2022	For the year ended 31 March 2021
(A)	Value of imports on CIF basis:		
	Raw materials(cost of material acquired)	1,760.11	854.71
(B)	Expenditure in foreign currency:		
(i)	Travelling	2.73	-
(ii)	Stores purchased	-	115.22
(C)	Earning in foreign exchange		
	Value of Export on FOB basis (including indirect export benefits availed by third parties)	-	-

Sl.No.	Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
		(₹ in Lac)	%age	(₹ in Lac)	%age
(D)	Value of imports on CIF basis:				
(a)	Raw materials consumed:				
(i)	Imported	4,122.75	9.92	2,649.46	7.59
(ii)	Indigenous	37,420.66	90.08	32,271.30	92.41
	TOTAL	41,543.41	100.00	34,920.76	100.00
(b)	Spare parts and components consumed:				
(i)	Imported	-	-	-	-
(ii)	Indigenous	898.23	100.00	771.74	100.00
	TOTAL	898.23	100.00	771.74	100.00

Foot-note:-

As segregation between spare parts and components is not possible, the value of consumption of spare parts and components has been aggregated. The figures given in (vii)(D)(b) above are as certified by the Officials of the Company.

40. Impact of componentization of Fixed Assets and ascertaining useful life and original cost/estimated value of such components as on 1st April, 2015 as required by the amended Schedule II of the Companies Act, 2013 is pending. Impact, if any, on the depreciation for the year ended 31st March, 2017, 31st March, 2018, 31st March, 2019, 31st March, 2020, 31st March, 2021 and 31st March, 2022 are yet to be ascertained by the Management.

41. **SEGMENT REPORTING :**

- (i) The Management has identified following reportable Business Segments for the current year namely:
 Sugar comprising of Cane Sugar.
 Distillery comprising of liquors and spirit.
 Real Estate Services
 Engineering Services
 Job Work Services
- (ii) Electrode, Paints and Gas Units: (Refer Note 27(9)).
- (iii) The Steel Unit is lying closed since 24th January, 1993 due to strike/lock-out. In the meanwhile, opening balances (Assets and Liabilities) of the unit as on 1st April, 1992 subject to certain modifications as per Note 27 {4(c)} have been incorporated as Assets & Liabilities of Steel Unit. (Refer Note 27(4)).
- (iv) Segment-wise information (Primary Segments) for the current year:

(₹ in Lac)

Particulars	Sugar	Distillery	Real estate services	Engineering services (Job work including procurement)	Job work (Manufacturing of Electrodes)	TOTAL
SEGMENT REVENUE						
Total Sales / Income (Excluding Excise-duty)	38,501.05	41,059.89	995.29	1,228.78	252.22	82,037.23
Less: Inter Segment Revenue	(214.56)	-	(49.55)	(1,203.84)	-	(1,467.95)
Total Sales / Income from operations	38,286.49	41,059.89	945.74	24.94	252.22	80,569.27
Segment Result	(38.51)	2,111.44	831.49	-	(189.11)	2,715.31
Add:						
i) Profit of CAD, Paint and Gas unit for 2021-22						623.53
ii) Interest Income						79.74
iii) Profit on sale of Fixed Assets						191.84
Unallocable Income**						1,047.91
Amount Written Back						-
Less:						
Interest Expenses						(785.66)
Unallocable Expenses**						(1,112.38)
Exceptional Items						
Quality Claims Paid						(144.51)
						-
Intt. on settlement of loan						(468.49)
Unclaimed credit balances written back						97.23
Profit / Loss before Tax for the period						2,244.51
Loss before Tax from 2016-17 to 2020-21						(1,783.60)
Less: Provision for Tax						-
Profit / (Loss) after Tax						460.91

Excludes inter-unit rental income of ₹ 49.55 Lac and Inter-unit service expense of ₹ 50.63 Lac

** Includes Corporate Office of the Company.

Other Information

(₹ in Lac)

Particulars	Sugar	Distillery	Real estate services	Engineering services (Job work including procurement)	Job work (Manufacturing of Electrodes)	TOTAL
Segment Assets	12,667.54	25,575.87	See Note. Below	See Note. Below	1,660.93	39,904.34
Other Unallocable Assets						5,309.35
Total Assets						45,213.69
Segment Liabilities	27,046.87	22,399.59			414.61	49,861.07
Other Unallocable Liabilities**						19,746.61
Total Liabilities						69,607.68
Capital Expenditure :	451.14	382.29			1,506.00	2,339.43
(Including Under erection and acquired under finance lease)						-
Depreciation	186.56	89.28			19.56	295.40

* Refer Note 27(4)(c) above.

** Includes Corporate Office of the Company.

@ Includes revaluation of Fixed Assets also.

This include ₹6906.80 Lac being unreconciled credit balance of Steel, included in other current liabilities i.e. Note No. 8.

1. The Business operations are concentrated in India only.
2. External Revenue is exclusive of Excise Duty realized.
3. Inter segment revenues between operating segments are accounted for at market price.

(ii) Segment-wise information (Primary Segments) for the previous year:

(₹ in Lacs)

Particulars	Sugar	Distillery	Total
SEGMENT REVENUE :			
Total Sales/Income	33,260.03	31,013.45	64,273.48
Less: Inter Segment Revenue	270.80	-	270.80
Total Sales/Income from Operation	32,989.23	31,013.45	64,002.68
Segment Result	(962.56)	1633.85	671.29
Add:			
i) Profit of Steel Unit #			(169.92)
ii) Interest Income			3.74
iii) Profit on sale of Fixed Assets			5.50
iv) Unallocable Income **			
v) Amount Written Back			212.33
			722.94
Less:			
Interest Expenses			468.07
Unallocable Expenses (Net)**			161.13
Exceptional Items:			
House & Water Tax paid for earlier years			(235.55)
Interest on Cane Arrears			(330.00)
Profit on sale of Investments			1668.91
Profit/(Loss) before Tax			1197.10

Excludes inter-unit rental income of ₹ 49.95 Lac and Inter-unit service expense of ₹ 5.34 Lac

** Includes Corporate Office of the Company.

OTHER INFORMATION :

Particulars	Sugar	Distillery	Total
Segment Assets	10,772.78	21,298.30	32,071.08
Steel Unit*	-	-	2,920.42
Investments	-	-	586.30
FD with Banks & Interest Accrued	119.08	766.06	885.14
Other un-allocable assets**	-	-	5,032.90
Total Assets			41,495.84
Segment Liabilities	26,941.50	23,392.72	50,334.22
Secured/Unsecured Loan/DPG			
(Including Interest Accrued)	846.43	14,985.71	15832.14
Steel Unit*	-	-	6260.67
Other un-allocable liabilities**	-	-	9755.86
Total Liabilities	-	-	#82,182.89
Capital Expenditure :	312.82	130.40	443.22
(Including Under Erection and acquired under finance lease) on Segment Assets			
Depreciation	180.63	85.85	266.48

NOTES :

* Refer Note 27(4)(c) above.

** Includes Corporate Office of the Company.

@ Includes revaluation of Fixed Assets also.

This include ₹ 854.22 Lac being unreconciled credit balance of Steel, Electrode, Paints, Gas Units and MD office included in other current liabilities i.e. Note No. 8.

1. The Business operations are concentrated in India only.

2. External Revenue is exclusive of Excise Duty realized.

3. Inter segment revenues between operating segments are accounted for at market price.

42. The equity shares of the subsidiary companies held by the Company i.e., 13,200 equity shares of Own Investment (India) Limited and 21,450 Equity shares of Your (Investment) India Limited were sold to M/s. A to Z Holdings Private Limited and M/s. Longwell Investment Pvt. Ltd. respectively. Consideration amount in full against sale of these shares was received on 18th March, 2021 hence these companies were ceased to be subsidiary companies of the Company with effect from 18th March, 2021.

43. The ratios as per the latest amendment to Schedule III are as below:

(₹ in Lacs)

Particulars	Year ended 31/03/2022	Year ended 31/03/2021	% of Change
(1) CURRENT RATIO	0.72	0.68	6.10
(Total current assets/Current liabilities)			
Current Assets excluding figures of Steel Unit.			
{Current liabilities: Total current liabilities - Current maturities of non-current borrowings and liabilities of Steel Unit}			
(2) INVENTORY TURNOVER RATIO (In days)	43	45	-4.44
{Average Inventory(excluding of Steel Unit)/Sale of products in days}			

(₹ in Lacs)

Particulars	Year ended 31/03/2022	Year ended 31/03/2021	% of Change
3) TRADE RECEIVABLES TURNOVER RATIO (In days)	39	39	0
(Average trade receivables/Turnover in days) [Turnover: Revenue from Operations]			
(4) TRADE PAYABLES TURNOVER RATIO (In days)	156	235	-33.00
(Average trade payable@/Expenses #)			
[# excludes finance cost, depreciation, employee benefit expenses, provision for doubtful debts and advances and expenses of Electrode, Paint and Gas Units for previous five years and current year and expenses of Steel Unit for current year]			
@trade payable excludes amount relating to Steel, Electrode (old balances), Paint, Gas and of CAD.			
(5) NET PROFIT RATIO(%)	2.79	1.87	48.92
{Net profit after tax / Turnover} (Refer Foot Note No. v)			
[Turnover: Revenue from operations (Net of Excise Duty)]			
(6) RETURN ON INVESTMENT (%)	12.92	12.44	3.90
(Dividend Income/Investment)			

Foot Notes:

- (i) These ratios stated above are subject to Note No. 27(4) and 27(9) of the Standalone Financial Statements i.e. non-incorporation of Balance Sheets of Steel Unit and incorporation of five years financial statement of Electrode, Paint and Gas Units and of CAD during the current financial year which also results in variations explained below.
 - (ii) Explanation for changes in the Ratio by more than 25% as compared to the preceding year are as under:
 - (a) Decrease in trade payable turnover ratio is primarily due to reduction in trade payable in Distillery Unit.
 - (b) Net profit ratio improved mainly on account of increase in profit of Distillery Unit and increase in sale of Scrap.
 - (iii) In view of negative equity (equity capital + reserves and surplus) and negative average working capital, following ratios are not computed:
 - (a) Debt Equity Ratio
 - (b) Return on Equity
 - (c) Return on Capital Employed
 - (d) Net Capital turnover ratio
 - (iv) In view of non-incorporation of Balance Sheet of Steel Unit and non-provision of interest on loans, Debt Service coverage ratio is not computed.
 - (v) Net Profit Ratio: Net profit excludes loss for 5 years of Electrode, Paint and Gas Units and of CAD. Refer Note No. 27(9).
 - (vi) Average trade payables and receivables excludes amount relating to closed Steel, Electrode, Paint and Gas Units and of CAD to make the ratios comparable.
44. The ageing schedule for trade receivable, trade payable and capital work in progress are as under:
- (a) (i) Trade Receivable ageing schedule as at 31st March, 2022 #

(₹ in Lacs)

Particulars	Outstanding from date of transaction					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed						
i. Considered good	14304.89	1096.19	49.62	50.40	190.31	15691.42
ii. Considered doubtful	-	-	-	-	223.18	223.18
Disputed						
iii. Considered good	-	-	-	-	17.37	17.37
iv. Considered doubtful	-	-	-	-	-	-
Total	14304.89	1096.19	49.62	50.40	430.86	15931.97
Less: Provision for doubtful	1028.47	536.56	29.30	41.07	390.37	#2025.77
Net Amount	13276.42	559.63	20.32	9.34	40.49	#13906.20

#Excludes trade receivables of ₹1199.25 Lac and provision for doubtful debts of ₹38.85 Lac of closed Steel Unit.

(a)(ii) Trade Receivable ageing schedule as at 31st March, 2021@

(₹ in Lacs)

Particulars	Outstanding from date of transaction					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed						
i. Considered good	12,693.29	822.62	6.75	50.22	192.92	13,765.79
ii. Considered doubtful	-	-	-	-	194.17	194.17
Disputed						
iii. Considered good	-	-	-	-	-	-
iv. Considered doubtful	-	-	-	-	50.27	50.27
Total	12,693.29	822.62	6.75	50.52	437.36	14,010.23
Less: Provision for doubtful	598.52	473.05	3.33	50.22	436.82	1,561.94
Net Amount	12,094.77	349.57	3.42	-	0.54	12,448.29

@These figures don't tally with financial statements of the Company as on 31st March, 2021 since the Ageing of Electrode, Paint and Gas Units and of CAD is based on financial statements of these units and CAD as on 31st March, 2021 whereas financial statements includes figures of these units and CAD as on 31st March, 2016.

(b)(i) Trade Payable ageing schedule as at 31st March, 2022 #

(₹ in Lacs)

Particulars	Outstanding from date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed					
i. MSME	162.94	0.35	-	-	163.29
ii. Others	29284.87	52.29	20.15	405.72	29763.03
Disputed					
i. MSME	-	-	-	-	-
ii. Others	-	-	-	17.51	17.51
Total	29447.81	52.64	20.15	423.23	29943.83

#Excludes trade payable of ₹1975.69 Lac of closed Steel Unit.

(b)(ii) Trade Payable ageing schedule as at 31st March, 2021@

(₹ in lac)

Particulars	Outstanding from date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed					
iii. MSME	151.50	-	-	-	151.50
iv. Others	33,878.24	168.72	76.36	186.58	34,309.90
Disputed					
iii. MSME	-	-	-	-	-
iv. Others	-	-	-	387.97	387.97
Total	34,029.74	168.72	76.36	574.55	34,849.37

@These figures do not tally with financial statements of the Company as on 31st March, 2021 since the Ageing of Electrode, Paint and Gas Units and of CAD is based on financial statements of these units and CAD as on 31st March, 2021 whereas financial statements includes figures of these units and CAD as on 31st March, 2016.

(c)(i) Capital Work-in-Progress for financial year 2021-22#

(₹ in lac)

CWIP	Outstanding from date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	268.38	-	-	-	268.38
Project temporarily suspended	-	-	-	-	-
Total	268.38	-	-	-	268.38

#Excludes figures of Steel Unit ₹38.06 Lac.

(c) (ii) There is no Capital Work-in-Progress as on 31.03.2021 except for closed Steel Unit amounting to ₹ 38.06 Lac. Hence no disclosure is required/given below.

(c)(iii) Capital Work-in-Progress for financial year 2020-21 and 2021-22, whose completion is overdue or has exceeded its cost compared to its original plan.

- There is no Capital Work-in-Progress whose completion is overdue or has exceeded its cost compared to its original plan.

(c)(iv) Capital Work-in-Progress for financial year 2020-21 and 2021-22, project where activity has been suspended.

- No project for Capital Work-in-Progress was suspended during financial year 2020-21 and 2021-22.

45 (a) Deferred Tax Assets are ₹4,333.66 Lac as on 31st March, 2022 (Previous year ₹4,832.81 Lac) constituting mainly of unabsorbed depreciation, unabsorbed losses, provision for doubtful debts, provisions disallowed and interest on term loans disallowed in Income Tax. On conservative basis as required by the Accounting Standard 22, the net Deferred Tax Assets have not been recognized and position will be re-assessed at next balance sheet date. However, the estimated Deferred Tax Assets and Liabilities details are given as under:

(₹ in lac)

Description	As at 31.3.2022	As at 31.3.2021
Deferred Tax Assets :		
(i) Disallowances under the Income Tax Act.	1,279.63	1,450.37
(ii) Provision for Doubtful Debts	674.67	585.82
(iii) Unabsorbed Depreciation	847.98	115.62
(iv) Unabsorbed Loss	2,828.43	4,015.10
Total	5,630.71	6,166.91

(₹ in lac)

Description	As at 31.3.2022	As at 31.3.2021
Deferred Tax Liabilities:		
(i) Expenses claimed in return but not charged to revenue in books of account	873.07	873.07
(ii) Difference between WDV of assets as per Companies Act and Income Tax Act.	423.98	461.03
Total	1,297.05	1,334.10
Deferred Tax Assets (Net)	4,333.66	4,832.81

- (b) Even though the Company has earned book profits during the current and preceding financial years, Minimum Alternate Tax (MAT) on book profits under Section 115JB of Income-tax Act, 1961 is not applicable in view of unabsorbed depreciation available for set-off against book profits.
46. Previous year's figures have been regrouped wherever necessary. However, the previous year figures are not comparable in view of incorporation of financial statements of Electrode, Paint and Gas Units and of CAD for 6 financial years i.e. 2016-17 to 2021-22 during the current financial year.

**For and on behalf of the Board of Directors
of Modi Industries Limited**

As per our report of even date.

For P. R. Mehra & Co.,
Chartered Accountants,
(Regn.No.000051N)

Umesh Kumar Modi
(DIN-00002757)
Chairman & Managing Director

Rakesh Kumar Modi
(DIN-00022386)
Director

Laxman Prasad
Partner
Membership No. 013910

Shobit Nehra
(ACS-31863)
Company Secretary

Dated: 16th November, 2022.

Place: Modinagar

PROXY FORM (FORM NO. MGT-11)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the company : **MODI INDUSTRIES LIMITED**
 CIN : **U15429UP1932PLC000469**
 Registered Office : MODINAGAR-201204. (U.P.)

Tel: 01232-243115, 9084786567
 Email: modiindustrieslimited@gmail.com
 Website: www.modiindustries.net

Name of the member(s)	
Registered address	
E-mail ID	
Folio No./Client ID	
DP ID	

I/We being the member(s) of equity shares of the above named company, hereby appoint:

	(1)	(2)	(3)
Name			
Address			
E-mail ID	or failing him/her	or failing him/her	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **88th Annual General Meeting** of the company, to be held on **Tuesday, the 20th December, 2022 at 04:00 P.M. at Auditorium, Dayawati Modi Public School, Modinagar-201204, District - Ghaziabad (U.P.)** and at any adjournment thereof in respect of such resolutions as are indicated below:

I/We wish my/our above Proxy to vote in the manner as indicated in the box below:

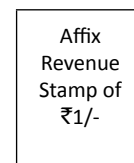
Resolutions	For	Against
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors.		
2. Re-appointment of the following Directors, retiring by rotation:		
(a) Smt. Kumkum Modi		
(b) Shri Jayesh Modi		
3. Appointment of Statutory Auditors and fixing their remuneration.		
4. Ratification of remuneration payable to Cost Auditors.		

Signed this day of 2022

.....
 Signature of first proxy holder :

.....
 Signature of second proxy holder:

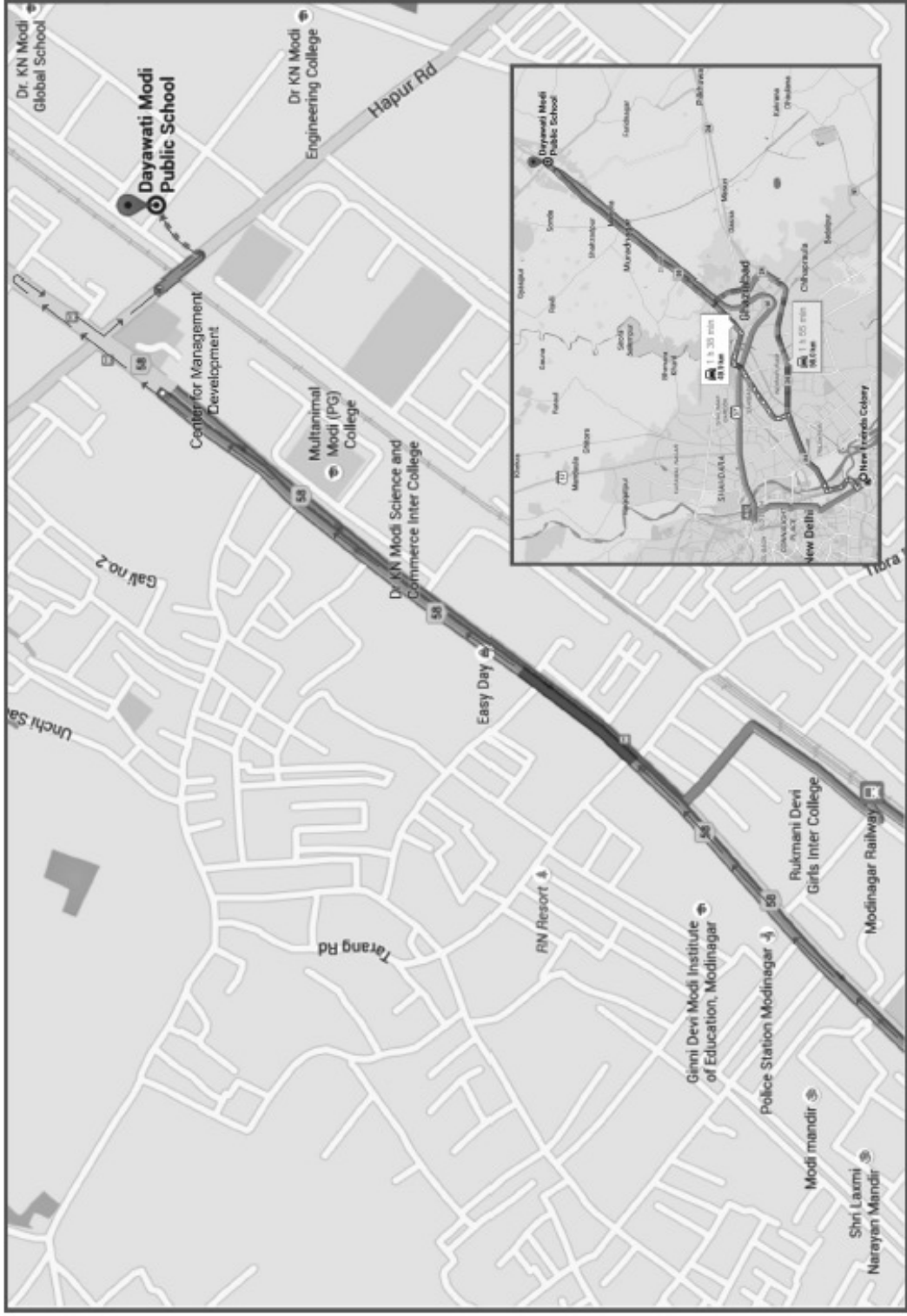
.....
 Signature of third proxy holder



Signature of shareholder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route Map of the Venue of the 88th Annual General Meeting



Auditorium, Dayawati Modi Nagar Public School, Modi Nagar

BY COURIER

ANNUAL REPORT 2021-22

To,

If Undelivered please return to:

MODI INDUSTRIES LIMITED

CIN –U15429UP1932PLC000469

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

Tel: 01232-243115, 9084786567

Email: modiindustrieslimited@gmail.com

Website: www.modiindustries.net