

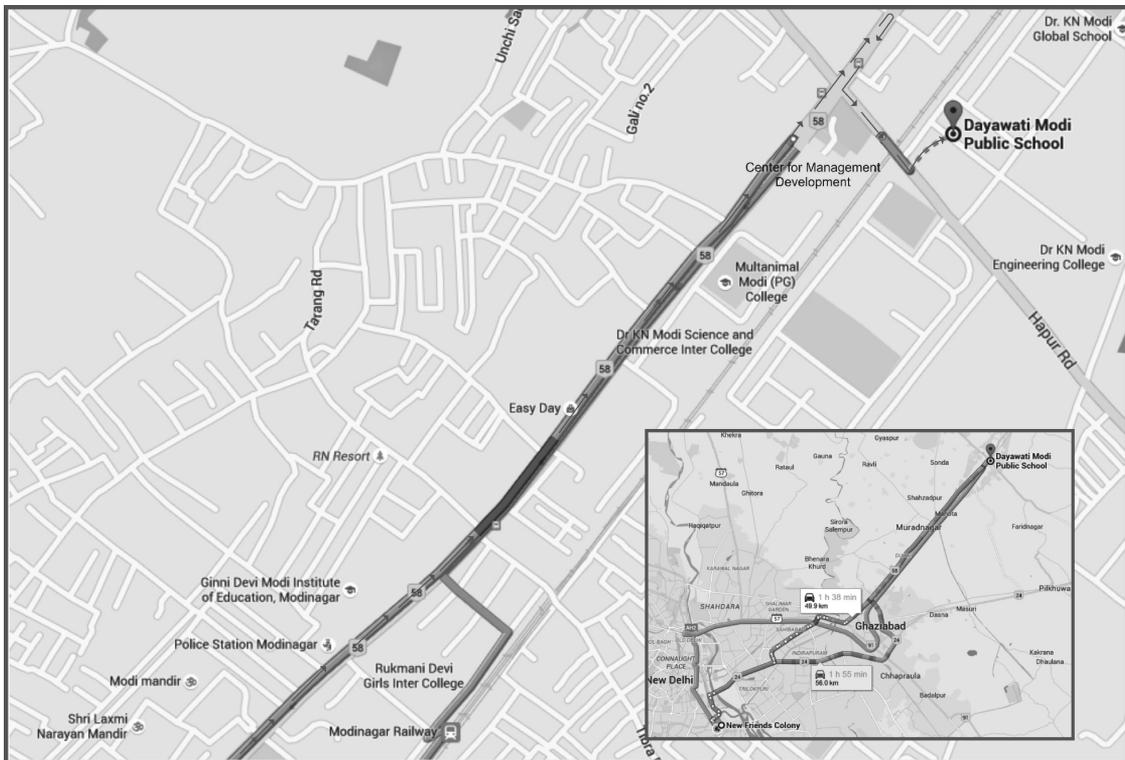


# **Modi Rubber Limited**

---

45TH ANNUAL REPORT 2017-2018

## ROUTE MAP OF 45TH AGM VENUE



Auditorium, Dayawati Modi Public School,  
Modinagar-201204 (U.P)



# THE COMPANY

## BOARD OF DIRECTORS

**Vinay Kumar Modi**  
Chairman

**Alok Kumar Modi**  
Managing Director

**Kawaljit Singh Bains**  
Independent Director

**Arvind Nath Seth**  
Independent Director

**Amrit Kapur**  
Independent Director

**Piya Modi**  
Whole-Time Director

**Sanjeev Kumar Bajpai**  
Head- Legal & Company Secretary

**Kamal Gupta**  
Chief Finance Officer

**REGISTERED OFFICE**  
Modinagar-201 204  
District Ghaziabad (Uttar Pradesh)  
CIN: L25199UP1971PLC003392

**HEAD OFFICE**  
4-7C, DDA Shopping Centre,  
New Friends Colony,  
New Delhi-110 025  
website : www.modirubberlimited.com  
Phone : +91-11-47109398  
E-mail : investors@modigroup.net

**WORKS**  
Modinagar-201 204  
District Ghaziabad (Uttar Pradesh)

**BANKER**  
Axis Bank Ltd

**STATUTORY AUDITORS**  
**Suresh Surana & Associates LLP**  
Chartered Accountants  
2nd Floor, Tower-B, B-37, Sector-1  
Noida(NCR) - 201301 (UP) India

**SECRETARIAL AUDITORS**  
**SANJAY GROVER & ASSOCIATES**  
B-88, 1st Floor, Defence Colony  
New Delhi - 110 024

**INTERNAL AUDITORS**  
**S.R. Dinodia & Co.LLP**  
K-39, Connaught Circus  
New Delhi-110001

**REGISTRAR & SHARE TRANSFER  
AGENT**  
**MAS Services Ltd.**  
T-34, II Floor, Okhta Industrial Area,  
Phase-IIInd, New Delhi 110 020  
Tel (011) 26387281, 82, 83  
Fax (011) 26837286

### 45<sup>th</sup> Annual General Meeting

Date	: September 28, 2018
Day	: Friday
Time	: 11:30 A.M
Place	: Auditorium, Dayawati Modi Public School, Modinagar
Book Closure Date	: 22 <sup>nd</sup> September, 2018 to 28 <sup>th</sup> September, 2018 (both days inclusive)

### Contents

### Page No.

Notice .....	2
Directors's Report .....	5
Management Discussion and Analysis Report .....	18
Report on Corporate Governance .....	19
Independent Auditors' Report .....	30
Balance Sheet .....	34
Statement of Profit & Loss .....	35
Schedules .....	39
Consolidated Financial Statements .....	76

**Members/Shareholders are requested to bring copies of their Annual Report to the meeting as no spare copies of Annual Report will be distributed at the Annual General Meeting.**

# MODI RUBBER LIMITED

(CIN: L25199UP1971PLC003392)

Registered Office: Modinagar-201204, Ghaziabad Uttar Pradesh, India.

Head Office: 4-7C, DDA Shopping Center New Friends Colony New Delhi-110 025

Website : [www.modirubberlimited.com](http://www.modirubberlimited.com), Email : [investors@modigroup.net](mailto:investors@modigroup.net), Phone No: +91-11-47109398

## NOTICE

Notice is hereby given that the 45<sup>th</sup> Annual General Meeting of the members of **Modi Rubber Limited** ("the Company") will be held on Friday the September 28<sup>th</sup>, 2018 at 11:30 AM at Auditorium, Dayawati Modi Public School, Modinagar-201204 (U.P) to transact the following businesses:

**Membership Number- A10110**  
**Address: 4-7C, DDA Shopping Centre**  
**New Friends Colony, New Delhi-110025**

### ORDINARY BUSINESSES:

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors ('the Board') and auditors thereon.

2. **To ratify the appointment of Statutory Auditors of the Company, 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/s. Suresh Surana & Associates LLP, Chartered Accountants, with registration number 121750W/W-100010), as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of Forty Six Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

### SPECIAL BUSINESSES:

3. **To appoint Mr. Amrit Kapur (DIN-00508710) , as an Independent Director 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 Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, **Mr. Amrit Kapur (DIN-00508710)**, who was appointed as an Additional Independent Director of the Company with effect from 29th May, 2018 under Section 161 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to Three consecutive years commencing from 29th May, 2018."

By order of the Board  
for **Modi Rubber Limited**

(**Sanjeev Kumar Bajpai**)  
**Head-Legal & Company Secretary**

Place : New Delhi

Date : August 13, 2018

### NOTES:

1. Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 22.09.2018 to 28.09.2018 (both days inclusive).
3. **A MEMBER, ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HER SELF AND THE PROXY(IES) NEED NOT BE THE MEMBER(S) OF THE COMPANY.** The proxy form(s) duly completed and signed should reach Company's Registered Office at Modinagar at-least 48 hours before the time fixed for the meeting.
4. The Register of Contracts or arrangements in which Directors are interested and maintained under Section 189 of the Companies Act, 2013 and the Register of Director and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the annual general meeting.
5. Members desirous of obtaining any information concerning the Accounts of the Company are requested to send their request at the Head Office 4/7C DDA Shopping Centre New Friends Colony, New Delhi- 110025 of the Company atleast seven days before the date of the Meeting, so that the information required may be made available at the Meeting.
6. Members/proxies should fill the Attendance slip attach herewith for attending the meeting and bring their attendance slip alongwith their copy of the annual report to the meeting.
7. Corporate members are requested to send a duly certified copy of the Board resolution/authority letter, authorizing their representative(s) to attend and vote on their behalf at the meeting.
8. Members holding shares in dematerialized mode are requested to intimate all changes with respect to the change of address, e-mail address, change in name etc, to the depository participant. These changes will be automatically reflected in the Company's records which will help in the Company to provide efficient and better service to the members.
9. Members holding shares in the physical form are requested to intimate changes with respect the change of address, e-mail address, change in name etc, immediately to the Company/RTA.
10. Voting through electronic means:

In compliance with section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management Administration) Rules, 2014, and regulation 44 of SEBI (LODR) the Company is pleased to provide to members facility to exercise their right to vote at the 45th Annual General Meeting by electronic means and the business may be transacted through e-voting services. The facility



of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

I. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :

- (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select “EVEN” of “Modi Rubber Limited”.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [rashmikirt@gmail.com](mailto:rashmikirt@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:  
**EVEN (remote e-voting Event Number) USER ID  
PASSWORD/PIN**
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.  
General Instructions:
  - The remote e-voting period commences on 25<sup>th</sup> September, 2018 (9:00 am) and ends on 27<sup>th</sup> September, 2018 (5:00 pm). During this period

members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21<sup>st</sup> September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- The voting rights of shareholders shall be in proportion to their shares of the paid-up capital of the Company as on the cut-off date (record date) of 21/09/2018.
- If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21/09/2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [mas\\_serv@yahoo.com](mailto:mas_serv@yahoo.com).  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- The Company has appointed M/s Rashmi Saxena and Associates, Practicing Company Secretaries (C.P.No. 6938) as the scrutinizer for conducting the e-voting process in a fair and transparent manner.
- The scrutinizer shall, within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in presence of at least 2 (two) witnesses not in employment of the Company and make a Scrutinizer’s Report of the votes cast in favour, against, if any, forthwith to the chairman of the Company.
- The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared alongwith the scrutinizer’s report shall be placed on the Company’s Website [www.modirubberlimited.com](http://www.modirubberlimited.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company.
- Members may also note that the Notice of the 45<sup>th</sup> Annual general meeting of the Company and the Annual report 2018 will be available on the Company’s

website for their download. The Physical copy of the aforesaid documents will also be available at the Company's corporate office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.

11. Pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant rules made there under companies can serve annual reports and other communications through electronic mode to those members who have registered their e-mail address with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by submitting the duly filled in "E-mail Registration Form" available on the website of the Company, to the Company. Members holding shares in demat form are requested to register their e-mail address with the Depository Participant(s) only. Members of the Company, who have registered their email address, are entitled to receive such communication in physical for upon request.

The Notice of annual general meeting and the copies of audited financial statements, directors report, auditors report etc, will also be displayed on the website ([www.modirubberlimited.com](http://www.modirubberlimited.com)) of the Company.

12. The Securities and exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participant with whom they are maintain their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Company. (format for submission of details is given at Page no 127).
13. As required by regulation 36 of SEBI (LODR) 2015 and as required under Secretarial Standard-2, in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of the notice. The Directors have furnished the requisite declarations for their re-appointment and their brief profile forms part of the explanatory statement.
14. Kindly register your e-mail addresses and contact details with us, by writing to the Secretarial Department at The Corporate Office, or at our e-mail ID: [Investors@modigroup.com](mailto:Investors@modigroup.com). This will help us in prompt sending you notices, annual reports and other shareholder communications in electronic form.

#### INSPECTION OF DOCUMENTS

All material documents referred to in the Notice will be kept open for inspection by the members, at the Registered Office of the Company, from 11AM to 1 PM on all working days from 20 September 2018 upto the date of the AGM.

By order of the Board  
for **Modi Rubber Limited**

Place : New Delhi  
Date : August 13, 2018

(Sanjeev Kumar Bajpai)  
**Head-Legal & Company Secretary**  
Membership Number- A10110  
Address: 4-7C, DDA Shopping Centre  
New Friends Colony, New Delhi-110025

**STATEMENT IN RESPECT OF SPECIAL BUSINESSES PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (THE "ACT")**  
The following Statement sets out all material facts relating to the

special businesses mentioned in the accompanying Notice.

#### Item Nos. 3

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, the Board of Directors of the Company have appointed Mr. Amrit Kapur as an Additional Director (Independent) of the Company to hold office for a period of three consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, Mr. Kapur holds office till the conclusion of the AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from a Member signifying his intention to propose the appointment Mr. Kapur as a Director of the Company. The Company has also received a declaration from Mr. Kapur confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mr. Kapur is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company. In the opinion of the Board, Mr. Kapur fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company [www.Modirubberlimited.com](http://www.Modirubberlimited.com)

Mr. Kapur is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Mr. Kapur and his relatives, are in any way, concerned or interested in the said resolution. The resolution as set out in item No. 3 of this Notice is accordingly recommended for your approval.

Information required under SEBI(LODR), 2015 in respect of resolution No. 3 is given below:-

Particulars	
Age(In years)	77
Qualification	Graduate
Expertise in specific functional areas	Management and Administration
Date of appointment on the Board of the Company as Independent Director	29 <sup>th</sup> May 2018
Names of the Companies in which Directorships held	1.
Names of other Companies in which Committee Membership/Chairman-ship held	NA
No. of shares held	NIL

Place : New Delhi  
Date : August 13, 2018

By order of the Board  
for **Modi Rubber Limited**  
(Sanjeev Kumar Bajpai)  
**Head-Legal & Company Secretary**  
Membership Number- A10110  
Address: 4-7C, DDA Shopping Centre  
New Friends Colony, New Delhi-110025



# DIRECTORS' REPORT

Your Directors have pleasure in sharing with you the 45th Annual Report on the business and operations of the Company, along with the audited financial accounts for the financial year ended March 31, 2018.

## IMPLEMENTATION STATUS OF BIFR SCHEME

The Central Government vide its Notification No.S.O.3568 (E) Dated 25 November 2016 notified the provisions of the Sick Industrial Company (Special Provisions) Repeal Act 2003 repealing SICA 1985. However, the Repeal Act shall not affect any order made by the Board for sanction of the Scheme. your company continues to implement the unimplemented provisions of SS-08 sanctioned by the BIFR on 8.4.2008.

In this respect, rehabilitation for Modinagar Tyre Factory (MTF) could not be achieved as yet. The matter for possession of MTF Plant is pending with Hon'ble Allahabad High Court. The Plant continues to be in possession of the OL appointed by the Allahabad High Court in Modi Export Processors Limited's (MEPL) winding up proceedings.

Your Company has been following up with Govt agencies/authorities/department/Creditors to provide relief and concessions and to accept settlement as per scheme sanctioned by the BIFR.

The Company has taken new initiatives to improve its long term prospects and performance. These include:-

1) Your Company has been very vigorously taking actions to get re-possession of Company's properties which were occupied by illegal occupants/Ex- Employees. Efforts include legal recourse, and also settlement as per BIFR Scheme wherever possible.

2) Company is taking several steps to utilize its real- estate resources and wherever possible to put them to generate revenue.

## FINANCIAL RESULTS

During the year under review, your company has recorded a net profit after tax Rs1535.60 Lacs as compared to Rs 2444.94 Lacs in previous year and a total comprehensive income of Rs 1419.64 Lacs as compared to 3015.19Lacs in the previous year. Income of your company is mainly from guest house operations, Interest & dividend.

## DIVIDEND

Since, there is no adequate profit; your Board does not recommend any dividend.

## FIXED DEPOSITS

Your Company has not accepted any fixed deposits from public during the year under review.

## MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORTS

A detailed Management Discussion & Analysis Report and a Corporate Governance Report along with certificate from the statutory auditors of the Company in pursuance with compliance of Listing Regulations are attached and form part of this Annual Report of the Company.

## BOARD OF DIRECTORS

### A) Appointment/Re-appointment of Directors

Board of Directors of the Company have appointed Mr. Amrit Kapur as an Additional Director (Independent and Non-Executive) of the Company to hold office for a period of 3 consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

### B) Meeting of the Board of Directors

During the financial year ended on March 31, 2018, 5 (Five) Board Meetings and 1 (one) meeting of Independent Directors were held and the maximum time gap between any two Board meetings was less than 120 days. Further, details of the meetings of the Board and its Committees are given in Corporate Governance Report, forming part of the Annual Report.

### C) Declaration by Independent Director(s)

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under applicable regulations of SEBI(LODR) 2015 with the Stock Exchanges.

### D) Board Evaluation

The Company has formulated a policy on performance evaluation of the Directors, Board and its Committees and other individual Directors which are based on inter alia components like attendance, effective participation, domain knowledge, access to management outside Board Meetings and Compliance with the Code of Conduct, vision and strategy and benchmark to peers.

Pursuant to policy on performance evaluation, a process for performance evaluation was carried out for Independent director, board, committees and other individual directors.

Policy for board evaluation is available on company's website.

## SUBSIDIARIES / JOINT VENTURES/ ASSOCIATE COMPANIES

The performance and financial information of the subsidiary companies/ Joint Ventures / Associate Companies is reported in the Consolidated Financial Statement for the financial year ended March 31, 2018.

## CONSOLIDATED FINANCIAL STATEMENT

In accordance with the provisions of the Companies Act, 2013 read with Regulation 33 of SEBI (LODR) 2015 and Applicable Ind-AS 110 on Consolidated Financial Statement, Ind-AS 28 on Accounting for Investments in Associates and Joint Ventures, the audited consolidated financial statement for the year ended March 31, 2018 is provided in the Annual Report.

## AUDIT COMMITTEE

The details of the Audit Committee including its composition and terms of reference mentioned in the Corporate Governance Report forms part of Annual Report.

All the recommendations made by the Audit Committee were accepted by the Board.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable Ind-AS with the requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;

- ii) 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 March 31, 2018 and of the profit of the Company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts of the Company for the financial year ended March 31, 2018 on a 'going concern' basis;
- v) the Directors have laid down internal financial control to be followed by the Company and that such internal financial control are adequate and were operating effectively; and
- vi) 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.

#### **RISK ASSESSMENT/ MANAGEMENT**

The Company has formulated and adopted a Risk Management Policy. Board of Directors of the Company is responsible for the direction and establishment of internal control to mitigate material business risks. The policy is framed to identify element of risks like misstatement, frauds etc and their mitigation for achieving its business objective and to provide reasonable assurance.

#### **INTERNAL FINANCIAL CONTROLS**

The Company has in place well defined and adequate internal financial control framework. During the year, such controls were tested and no material weaknesses in their design or operation were observed.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

During the year under review there was no profit from the operations hence no CSR activities was undertaken

The applicable disclosures as stipulated under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in **Annexure I** to this Report.

#### **VIGIL MECHANISM**

The Company promotes ethical behavior in all its business activities. Towards this endeavor the Company has adopted a policy on vigil mechanism and whistle blower. Company has developed a Mechanism where any violation can be report to the Chairman of the Audit Committee for appropriate resolution. The confidentiality of such reporting will be maintained and they are not subjected to any discriminatory practice or victimization. The Audit Committee shall oversee the Vigil Mechanism. The policy on vigil mechanism and whistle blower is available on Company's website.

#### **RELATED PARTY TRANSACTIONS**

The contracts/ arrangements / transactions by the company during the year under review with related parties were in the ordinary course of business and on arms length basis and do not attract the provisions of section 188 of the companies Act 2013.

During the year, the Company had not entered into any contract/ arrangement/ transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Suitable disclosure as required by the Accounting Standards has been

made in the Notes to the Financial Statement. The policy on Related Party Transaction and determining material Subsidiaries as approved by the Board is uploaded on the company's website.

#### **PARTICULARS OF LOAN, GUARANTEES, SECURITY OR INVESTMENTS**

Details of Loans, Guarantee, Securities and Investments during the year under review are given in the Notes to the financial statements pursuant to requirement of under Section 186 of the Companies Act, 2013.

#### **AUDITOR & AUDITOR'S REPORT**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. Suresh Surana & Associates LLP, Chartered Accountants, with registration number 121750W/W-100010), were appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 44<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017 until the conclusion of 49<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2022, subject to annual ratification by members at every Annual General Meeting, on such remuneration as may be decided by the Board. Accordingly, the ratification of their appointment shall be placed before the shareholders, in the ensuing Annual General Meeting, if so required.

M/s. Suresh Surana & Associates LLP, Chartered Accountants, with registration number 121750W/W-100010), has submitted their Report on the Financial Statements of the Company for the FY 2017-18, which forms part of the Annual Report 2017-18. There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Reports that may call for any explanation from the Directors.

#### **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

The Secretarial Audit Report for the financial year ended March 31, 2018, in the prescribed format is attached and marked as **Annexure II** with this report. The Secretarial Auditors' Report contains certain remarks with regard to

- (i) The qualifications made in secretarial auditor report for the financial year ended 31<sup>st</sup> March, 2017 were not explained in the Board's Report for that year. (ii) Public notice by way of an advertisement for Annual General Meeting held on September 28, 2017 was not published 21 days prior to the date of meeting (iii) Financial Statements for the financial year ended 31<sup>st</sup> March, 2017 was approved by the Board in the Meeting held on 29<sup>th</sup> May, 2017; however, MGT-14 for the same was not filed with the Registrar of Companies, NCT of Delhi and Haryana. (iv) The Company filed shareholding pattern with stock exchanges for quarters September and December, 2017 with delay of one day delay.

#### Board's Comments:

Board has analysed the above qualifications for delay/non-compliance which were caused inadvertently and directed all the concerns to be more vigilant in future for timely compliance.

#### **MANAGERIAL REMUNERATION**

The information required in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5 (1), (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. (**Annexure-III**)

#### **EXTRACT OF ANNUAL RETURN**

Extracts of the Annual Return in the prescribed format is attached with this report and marked as **Annexure IV**.



## STATUTORY DISCLOSURES

Since there was no production, there is no information required to be given for energy conservation, technology absorption, fuel consumption etc. u/s 134(3) (m) of the Companies Act, 2013. Information about foreign exchange earnings is nil and outgo is Rs.Lacs during the year under review

## ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks for support and co-operation from Banks, UP Government and other Government

Authorities and shareholders during the year period review. Your Directors also appreciate services of executives and staff of the Company for unstinted support in revival of the Company.

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

**Alok Kumar Modi**  
Managing Director

**Piya Modi**  
Whole-time Director

**Place: New Delhi**  
**Date: August 13, 2018**

## Annexure I

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18.

1	<b>Brief outline of Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR Policy and projects or programs</b>	Refer Section Corporate Social Responsibility in this Report
2	<b>Composition of the CSR Committee.</b>	Refer Corporate Governance Report
3	<b>Average Net Profit of the Company for last three financial years</b>	Not Applicable
4	<b>Prescribed CSR Expenditure (two percent of the amount as in item No. 3 above)</b>	Not Applicable
5	<b>Details of CSR spent during the financial year:</b>	
	(a) total amount to be spent for the financial year	Not Applicable
	(b) amount unspent, if any	Not Applicable
	(c) manner in which the amount spent during the financial year	None
6	<b>In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board report.</b>	Not Applicable

## Responsibility Statement

The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

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

**Place: New Delhi**  
**Date: August 13, 2018**

**Alok Kumar Modi**  
Managing Director

**Piya Modi**  
Whole-time Director

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2017-18 (in Rs.)	% increase in Remuneration in the Financial Year 2017-18
1.	Mr. Vinay Kumar Modi (Chairman)	No remuneration	Nil
2.	Mr. Alok Kumar Modi (Managing Director)	He opted not to draw any remuneration from company during implementation of BIFR revival scheme.	Nil
3.	Mr. Neeraj Sharma (Non-Executive Independent Director)	Sitting Fees only*	N.A
4.	Mr. Kanwaljit Singh Bains (Non-Executive Independent Director)	Sitting Fees only*	N.A
5.	Ms. Piya Modi (Whole Time Director)	30,24,000	NIL
6.	Mr. AmritKapur	N.A.	N.A.
7.	Mr. Sanjeev Kumar Bajpai (Head – Legal & Company Secretary)	41,52,930	-2%
8.	Mr. Kamal Gupta (Chief Financial Officer)	47,88,460	32.41%

**\*Sitting fees are Rs. 10000/- For attending each board meeting and Rs. 5000/- For attending each committees meeting**

- (ii) The median remuneration of employees of the Company during the financial year was Rs 1011328;
- (iii) In the financial year 2017-18, the median remuneration of employees Increased by 6.23%;
- (iv) There were 25 permanent employees(Including KMPs) on the rolls of Company as on March 31, 2018;
- (v) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year is 1:1.32.
- (vi) It is hereby affirmed that the remuneration paid is as per Policy for Directors, Key Managerial Personnel, Senior Management and other Employees.

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

**Place: New Delhi  
Date: August 13, 2018**

**Alok Kumar Modi  
Managing Director**

**Piya Modi  
Whole-time Director**



## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Modi Rubber Limited**  
(CIN: L25199UP1971PLC003392)  
Modi Nagar, Uttar Pradesh – 201204

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

### We report that

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes 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 the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) 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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 (“Audit Period”) 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 maintained by the company for the financial year ended on 31<sup>st</sup> March, 2018 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;
- (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;
- (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;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) \*The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) \*The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

\*No event under these regulations took place during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, with which the Company has generally complied with.

During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above except that:-

- *The qualifications made in secretarial auditor report for the financial year ended 31<sup>st</sup> March, 2017 were not explained in the Board's Report for that year (refer Section 134(3)(f) of the Act).*

- 
- *Public notice by way of an advertisement for Annual General Meeting held on September 28, 2017 was not published 21 days prior to the date of meeting (refer Rule 20(4)(v) of the companies (Management and Administration) Rules, 2014).*
  - *Financial Statements for the financial year ended 31<sup>st</sup> March, 2017 was approved by the Board in the Meeting held on 29<sup>th</sup> May, 2017; however, MGT-14 for the same was not filed with the Registrar of Companies, NCT of Delhi and Haryana (refer Section 179(3)(g) of the Act).*
  - *The Company filed shareholding pattern with stock exchanges for quarters September and December, 2017 with delay of one day delay.*

We further report that quarterly financial statements for June 30, 2017 could not be reviewed by the Audit Committee before submission of the same to the Board, though; Board of Directors approved the financial statements in question in terms of Regulation 33 of SEBI LODR.

- (vi) As informed by the Management, the Company was earlier engaged in manufacture of automotive tyre, tube & flaps and other allied products in its plants set-up in 1974 at Modipuram, Meerut and Modinagar. Pursuant to the BIFR Scheme, Modinagar plant continued to be with the Company for carrying out its Industrial activities. However, Modinagar Plant of the Company is under the Seal of Official Liquidator (OL) attached to the Allahabad High Court appointed by Allahabad High Court pursuant to CP No.7 of 2005 in "Punjab National Bank Vs Modi Export Processors Ltd," as the Company had taken Industrial Shed and land on perpetual lease from Modi Export Processors Ltd, on which Company had installed its Plant & Machinery for Modinagar Plant. The Company has filed Special Appeal No.1917 of 2008 with the Allahabad High Court for re-possession from the OL which is pending for final adjudication before the Hon'ble High Court. The Company continues to implement the unimplemented provisions of BIFR scheme.

Presently, the Company generates its income/revenue from rentals on real estate and Guest House at Modipuram, Income from Fund Management/Investments and also dividend from Joint Venture companies in which Company have Management & Equity Collaborations. As informed by the Management, though there is no sector specific law applicable on the Company.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Advance notices were given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions were carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

**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.

For Sanjay Grover & Associates  
Company Secretaries  
Firm Registration No.: P2001DE052900

**Lokesh Dhyani**  
Partner  
CP No.: 16185

13 August, 2018  
New Delhi



**FORM NO. MGT.9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March 2018**  
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

1	CIN:	L25199UP1971PLC003392
2	Registration Date:	27.02.1971
3	Name of the Company:	MODI RUBBER LIMITED
4	Category of the Company:	Company limited by shares/ India Non-Government Company
5	Sub-Category of the Company	Indian Non-Government Company
6	Address of the Registered Office and contact details:	Modi Nagar, Uttar Pradesh -201204, India Tel No.: 011-26834384, 26833284, 26848417 Email:
7	Whether listed Company:	Yes
8	Name, Address and Contact details of Registrar and Transferor Agent:	Messrs MAS Services Ltd, T-34, II Floor, Okhla Industrial Area, Phase-II, New Delhi 110020 Tel (011) 26387281, 82, 83 Fax (011) 26837286

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Other Business	74999	

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/subsidiary/ Associate	% of shares held	Applicable Section
1	Spin Investment India Limited- 6/7C DDA Shopping centre, New friends Colony New Delhi-110065 India	U74899DL1982PLC013733	Subsidiary	100	2(87)
2	Superior Investment (India) Limited- 4/7C DDA Shopping centre, New friends Colony New Delhi-110065 India	U65993DL1981PLC012512	Subsidiary	100	2(87)
3	Modistone Ltd. - In Liquidation- Hay Bunder Road, Mumbai-33.	U25110MH1939PLC002991	Subsidiary	55.32	2(87)
4	Gujarat Guardian Limited- Valia Road, State Highway Road Village Kondh Ankleshwar Bharuch Gujarat- 393001 India	U17110GJ1990PLC013397	Joint Venture	21.24	2(6)
5	Asahi Modi Materials Private Limited - 802, 8 <sup>th</sup> Floor in Matrix near Divya Bhaskar Press Corporate Road Prahladnagar Ahemdabad Gujrat- 380015 India	U24233GJ2012PTC072830	Joint Venture	49.00	2(6)
6	Modi Marco Aldany Private Limited- Ground Floor, 4-7C DDA Shopping Center, New Friends Colony- New Delhi-110025	U74999DL2016PTC308956	Joint Venture	50.00	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Share Holding**

Cat. Code	Category of Shareholder	Numbers of Shareholder	Total Number of Shares	No. of Shares held In Dematerialized Form	Total Shareholding As a% of Total No. of Shares		Shares Pledged or Otherwise Encumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of Shares	As a %
<b>(A) PROMOTER AND PROMOTER GROUP</b>								
<b>(1)</b>	<b>Indian</b>							
(a)	Individuals (HUF)	0	0	0	0.000	0.000	0	0.000
(b)	Central Gov/State gov	0	0	0	0.000	0.000	0	0.000
(d)	Any Other (Specify)Bodies Corporate	6	13144874	12130663	52.49	52.49	1288015	9.80
(c)	Financial Inst. Banks	0	0	0	0.000	0.000	0	0.000
(e)	Any Other (Specify)Trust	0	0	0	0.000	0.000	0	0.000
(f)	Any Other (specify)PERSON ACTING IN CONCERN	0	0	0	0.000	0.000	0	0.000
(g)	Any Other (specify)TRUST	0	0	0	0.000	0.000	0	0.000
(h)	Any Other (specify)DIRECTOR & THEIR RELATIVE	0	0	0	0.000	0.000	0	0.000
<b>SUB-TOTAL (A)(1)</b>		<b>6</b>	<b>13144874</b>	<b>12130663</b>	<b>52.49</b>	<b>52.49</b>	<b>1288015</b>	<b>9.80</b>
<b>(2)</b>	<b>Foreign</b>							
(a)	Individuals nri/Individuals/Foreign Individuals	0	0	0	0.000	0.000	0	0.000
(b)	Government	0	0	0	0.000	0.000	0	0.000
(c)	Institutions	0	0	0	0.000	0.000	0	0.000
(d)	Foreign PortfolioInvestor	0	0	0	0.000	0.000	0	0.000
(e)	Any Other (specify)Bodies Corporate	1	2554078	0	10.200	10.200	0	0.000
(f)	Any Other (specify)GROUP HOLDING	0	0	0	0.000	0.000	0	0.000
<b>SUB-TOTAL (A)(2)</b>		<b>1</b>	<b>2554078</b>	<b>0</b>	<b>10.200</b>	<b>10.200</b>	<b>0</b>	<b>0.000</b>
<b>TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP (A)=(A)(1)+(A)(2)</b>		<b>7</b>	<b>15698952</b>	<b>12130663</b>	<b>62.69</b>	<b>62.69</b>	<b>1288015</b>	<b>8.2</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDER</b>							
<b>(1)</b>	<b>Institutions</b>							
(a)	Mutual Funds	2	700	0	0.003	0.003	N.A.	N.A.
(b)	Venture Capital Funds	0	0	0	0.000	0.000	N.A.	N.A.
(c)	Alternate InvestmentFunds	0	0	0	0.000	0.000	N.A.	N.A.
(d)	Foreign VentureCapital Investors	0	0	0	0.000	0.000	N.A.	N.A.
(e)	Foreign PortfolioInvestors	0	0	0	0.000	0.000	N.A.	N.A.
(f)	Financial InstitutionsBanks	16	3200	2131	0.013	0.013	N.A.	N.A.
(g)	Insurance Companies	1	1	0	0.000	0.000	N.A.	N.A.
(h)	Provident Funds/)Pension Funds	0	0	0	0.000	0.000	N.A.	N.A.
(i)	Any Other (specify)FDI	0	0	0	0.000	0.000	N.A.	N.A.
(j)	Any Other (specify)Foreign Direct Investment(FDI)	0	0	0	0.000	0.000	N.A.	N.A.
(k)	Any Other (specify)Foreign Institutional Investors	2	729291	228481	2.912	2.912	N.A.	N.A.
(l)	Any Other (specify)Qualified Foreign Investor	0	0	0	0.000	0.000	N.A.	N.A.
( )	State Government(s)/President of India	0	0	0	0.000	0.000	N.A.	N.A.
<b>SUB-TOTAL (B)(1)</b>		<b>21</b>	<b>733192</b>	<b>230612</b>	<b>2.928</b>	<b>2.928</b>	<b>N.A.</b>	<b>N.A.</b>



Cat. Code	Category of Shareholder	Numbers of Shareholder	Total Number of Shares	No. of Shares held In Dematerialized Form	Total Shareholding As a% of Total No. of Shares		Shares Pledged or Otherwise Encumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of Shares	As a %
<b>(3) Non-Institutions</b>								
(a)	Individuals-i. Individual shareholders holding nominal share capital up to Rs. 2 lac	11828	1851902	846127	7.40	7.40	N.A.	N.A.
(a)	Individuals-ii.Individual shareholders holding nominal share capital in excess of Rs. 2 lac.	3	193680	193680	0.77	0.77	N.A.	N.A.
(b)	NBFCs registered with RBI	2	7418	0	0.03	0.03	N.A.	N.A.
(c)	Employee Trust	0	0	0	0.000	0.000	N.A.	N.A.
(e)	Any Other (specify)Bodies Corporate	136	767858	743608	3.07	3.07	N.A.	N.A.
(f)	Any Other (specify)Qualified Foreign Investor	0	0	0	0.000	0.000	N.A.	N.A.
(g)	Any Other (specify)Non-resident indian./OCB	60	5782682	5782682	23.09	23.09	N.A.	N.A.
(h)	Any Other (specify)Clearing Member	9	2848	2848	0.01	0.01	N.A.	N.A.
(i)	Any Other (specify)Trust	1	2000	2000	0.01	0.01	N.A.	N.A.
(j)	Any Other (specify)foreign bodies corporates	0	0	0	0.000	0.000	N.A.	N.A.
(k)	Any Other (specify)Employee	0	0	0	0.000	0.000	N.A.	N.A.
(l)	Any Other (specify)Director's & Their Relatives	0	0	0	0.000	0.000	N.A.	N.A.
(m)	Any Other (specify) Foreign Companies	0	0	0	0.000	0.000	N.A.	N.A.
<b>SUB-TOTAL (B)(3)</b>		<b>12039</b>	<b>8608388</b>	<b>8608388</b>	<b>34.38</b>	<b>34.38</b>	<b>N.A.</b>	<b>N.A.</b>
<b>TOTAL PUBLIC SHAREHOLDING (B)= (B)(1)+(B)(2)+(B)(3)</b>		<b>12060</b>	<b>9341580</b>	<b>9341580</b>	<b>37.31</b>	<b>37.31</b>	<b>N.A.</b>	<b>N.A.</b>
<b>(C) NON PROMOTER-NO PUBLIC SHAREHOLDER</b>								
(A)	Name of DR Holder(if available)	0	0	0	0.000	0.000	N.A.	N.A.
<b>SUB-TOTAL (C)(1)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>	<b>N.A.</b>	<b>N.A.</b>
<b>TOTAL NON PROMOTER-NO PUBLIC SHAREHOLDER (C)=(C)(1)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>	<b>N.A.</b>	<b>N.A.</b>
<b>Grand Total (A) + (B) + (C)</b>		<b>12067</b>	<b>25040532</b>	<b>19938812</b>	<b>100</b>	<b>100</b>	<b>1288015</b>	<b>5.14</b>

## ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Leaf Investment Private Limited	50272	0.201	0	50272	0.201	0	0
2	Mod Fashions And Securities Private Limited	12010267	47.964	5.144	12010267	47.964	5.144	0
3	Uniglobe Mod Travels Private Limited	44584	0.178	0	44584	0.178	0	0
4	A La Mode Garments Private Limited	25540	0.102	0	25540	0.102	0	0
5	Witta International Inc.	2554078	10.200	0	2554078	10.200	0	0
6	Indofil Organic Industries Ltd	214211	0.855	0	214211	0.855	0	0
7	M/S Modi Industries Ltd	800000	3.194	0	800000	3.194	0	0
	<b>Total</b>	<b>15698952</b>	<b>62.69</b>	<b>5.14</b>	<b>15698952</b>	<b>62.69</b>	<b>5.14</b>	<b>0</b>

iii. Change in Promoters Shareholding ( please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year				
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NA			

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of Shares	% of total shares of the Company
	For each of the Top 10 Shareholders				
1.	Kinborough Limited				
	At the Beginning of the Year (April 1,2017)	5739451	22.921%	5739451	22.921%
	Transaction (Purchase/sale) from April 1,2017 up to March 31,2018	-	-	-	-
	At the end of the year (March 31,2018)	5739451	22.921%	5739451	22.921%
2.	JP Morgan Securities				
	At the Beginning of the Year (April 1,2017)	500810	2%	500810	2%
	Transaction (Purchase/sale) from April 1,2017 up to March 31,2018	-	-	-	-
	At the end of the year (March 31,2018)	500810	2%	500810	2%
3	Merlin Resources Private Limited				
	At the Beginning of the Year (April 1,2017)	496600	1.983%	496600	1.983%
	Transaction (Purchase/sale) from April 1,2017 up to March 31,2018	-	-	-	-
	At the end of the year (March 31,2018)	496600	1.983%	496600	1.983%
4.	Quantum Endowment Fund N.V Standard Chartered Bank, Crescenzo Securities Services				
	At the Beginning of the Year (April 1,2017)	228481	0.912%	228481	0.912%
	Transaction (Purchase/sale) from April 1, 2017 up to March 31,2018	-	-	-	-
	At the end of the year (March 31,2018)	228481	0.912%	228481	0.912%
5.	RAJPUTANA DEVELOPERS LIMITED				
	At the Beginning of the Year (April 1,2017)	-	-	-	-
	Transaction (Purchase/sale) from April 1,2017 up to March 31, 2018	126007	.50%	126007	.50%
	At the end of the year (March 31,2018)	126007	.50%	126007	.50%



Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of Shares	% of total shares of the Company
6.	HITESH RAMJI JAVERI				
	At the Beginning of the Year (April 1,2017)	115020	0.459	115020	0.459
	Transaction (Purchase/sale) from April 1, 2017 up to March 31, 2018				
	<b>Date of Transactions</b>	<b>No. of Shares</b>			
		<b>Sell</b>	<b>Buy</b>		
	12/15/2017		2500		
	2/9/2018		875		
	At the end of the year (March 31,2018)		118395	0.47	118395
7.	HARSHA HITESH JAVERI				
	At the Beginning of the Year (April 1,2017)		55000		55000
	At the end of the year (March 31,2018)		55000		55000
8.	FINQUEST SECURITIES PVT. LTD				
	At the Beginning of the Year (April 1,2017)		507	-	507
	Add during April 1,2017 up to March 31,2018		50764	-	50764
	At the end of the year (March 31,2018)		51217	0.205	51217
9.	S N RAJAN				
	At the Beginning of the Year (April 1,2017)		11807	-	11807
	Add during April 1,2017 up to March 31,2018		8478	-	8478
	At the end of the year (March 31,2018)		20285	0.081	20285
10.	SANJAY KOTHARI				
	At the Beginning of the Year (April 1,2017)		-	-	-
	Add during April 1,2017 up to March 31,2018		20000	0.08	20000
	At the end of the year (March 31,2018)		20000	0.08	20000

**v.Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	*None of the Directors or KMP holds any Shares of the Company during the year 2017-18 under review			
	Date wise Increase / Decrease in Share holding during the yearspecifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

v. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2017)	106.12( Lacs)	250.00 (Lacs)		356.12 (Lacs)
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	106.12( Lacs)	250.00 (Lacs)		356.12 (Lacs)
Change in Indebtedness during the financial year				
* Addition				
* Reduction	—	34.39( Lacs)		
Net Change				
Indebtedness at the end of the financial year	71.73(Lacs)	250.00 (Lacs)		321.73
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	71.73(Lacs)	250.00 (Lacs)		321.73

vi. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Piya Modi			
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	3024,000			3024,000
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-		-	
5	Others, please specify	-			-
	Total (A)	3024,000			3024,000
	Ceiling as per the Act				



**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	<b>Independent Directors</b>					
	Fee for attending board committee meetings	No Remuneration paid to any other Director of the Company				
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
	<b>Other Non-Executive Directors</b>					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
			Company Secretary	CFO	
			Sanjeev Kumar Bajpai	Kamal Gupta	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		4152,930	4788,460	8941,390
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission- as % of profit- others, specify		-	-	-
5	Others, please specify		-	-	-
	Total		4152,930	4788,460	8941,390

**vii. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties / punishments / compounding of offences under Companies Act, 2013 for the year ending March 31, 2018.

For and on behalf of the Board of Directors

Place: New Delhi  
Date: August 13, 2018

Alok Kumar Modi  
Managing Director

Piya Modi  
Whole-time Director

---

# **M**ANAGEMENT DISCUSSION AND ANALYSIS REPORT

---

Your Company still could not take back possession for its Modinagar plant from the Official Liquidator (OL) appointed by the Allahabad High Court in the case of MEPL from which your Company has taken industrial shed and Land on lease on which Modinagar Plant was set-up.

Technical Analysis for Plant & Machinery of MTF Plant will be done when your Company gets possession of the same to ascertain damage caused to the machineries due to fire,rain& thefts.

Your Company has taken new initiatives to improve its long term prospects and performance and in order to make best use of its real estate resources your company has put Guest House Facility at Modipuram for commercial use after obtaining requisite approvals from the concerned Authorities. Your company is also taking several steps to utilize its real estate resources. Your Company has been very taking actions to get re-possession of Company's properties which were occupied by illegal occupants/Ex- Employees. Efforts include legal recourse, and also settlement wherever possible pursuant to scheme sanctioned by BIFR.

Your Company has been keeping adequate internal control system and has been deploying surplus fund in safe instruments to get return on investment.

Your Company has employed 25 employeesto run its present operations. None of the senior Management of the Company has any personal interest in any of the commercial transactions that may have a conflict with operations of the Company.



# CORPORATE GOVERNANCE REPORT

(PURSUANT TO REGULATION 34 (3) & SCHEDULE V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

## REPORT ON CORPORATE GOVERNANCE

Modi Rubber Limited's corporate governance system has the highest standards of ethical and responsible conduct of business to create value for all stakeholders. It continues to focus on good corporate governance, in line with emerging national standards. It understands and respects its fiduciary role in the corporate world. Besides following prescribed corporate governance norms as per the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (SEBI, LODR) and Companies Act, 2013, the company voluntarily governs itself as per best standards of ethical and responsible conduct of business in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, consumers, lenders and the community at large.

This report, along with the report on Management Discussion and Analysis and additional shareholders information provides the information on the corporate governance compliance by your company as contained in SEBI (LODR) and Companies Act, 2013.

## PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to enhance the long term economic value of the Company, its stakeholders and the society at large by adopting appropriate corporate practices in fair and transparent manner by aligning company's interest with that of its shareholders and other stakeholders. Your Company endeavors to follow procedures and practices in conformity with the Code of Corporate Governance outlined in the SEBI (LODR) Regulations 2015 and Companies Act, 2013.

### I) BOARD OF DIRECTORS

The Board of Directors ("Board") is the highest governing authority and plays a crucial role in ensuring good governance practices in the organization by its progressive thinking, approach and professional experience. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and high standards of disclosure, thus protecting interest of all stakeholders.

#### (A) Composition of the Board

The Composition of Board of Directors of the Company is in conformity with the requirement of Regulation 17 (1) of SEBI (LODR) The Board has an optimum combination of Executive, Non-Executive and Independent Directors. The Board represents an optimal mix of professionalism, knowledge and experience. The Chairman of the Board of the Company is a Non-Executive Director.

The details relating to Composition & Category of Directors, Directorships held by them in other companies and their membership and chairmanship on various Committees of Board of other companies, as on March 31, 2018 is as follows:

Sl. No.	Name of the Director	Category	Designation	No. of Memberships/ Chairmanships in various other Board Committees	
				Member	Chairman
1.	Mr. Vinay Kumar Modi	Non-Executive (Promoter)	Chairman	2	2
2.	Mr. Alok Kumar Modi	Executive (Promoter)	Managing Director	1	-
3.	Ms Piya Modi	Executive (Promoter)	Whole-time Director	0	-
4.	Mr. Kanwaljit Singh Bains	Independent Non-Executive	Director	1	2
5.	Mr. Neeraj Sharma (Ceased to be director w.e.f 13 <sup>th</sup> December 2017)	Independent Non-Executive	Director	2	-
6.	Mr. Arvind Nath Seth	Independent Non-Executive	Director	3	-
7.	Mr. Amrit Kapur* (Appointed from 29 <sup>th</sup> May 2018)	Independent Non-Executive	Director	2	-

#### Please Note

- Appointed as on Independent Director w.e.f. May 29, 2018.\*
- During the year under review, there was no pecuniary relationship or business transaction by the Company with any Non-Executive Director.
- Independent Directors have been paid only sitting fee for attending the Board / Committee meetings as well as the traveling/conveyance expenses incurred for attending Company's business meetings.

**Shareholding of Non-Executive Directors**

Name	Shri Vinay Kumar Modi	Shri Kawaljit Singh Bains	Shri Arvind Nath Seth	Shri Neeraj Sharma	Shri Amrit Kapur
No. of Shares held	Nil	Nil	Nil	NIL	Nil

**Note:**

1. Shri Neeraj Sharma ceased to be director w.e.f 13<sup>th</sup> December 2017.\*
2. Shri Amrit Kapur was appointed as Independent director w.e.f. 29th May 2018\*\*

**(B) Board Meetings**

Date(s) of Board Meetings are fixed in advance and agenda papers are circulated to Directors generally one week before the meeting. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting.

Details of attendance of Directors at Board Meetings and at the Annual General Meeting held during the financial year 2017-18 are as under:

Name of Director(s)	No. of Board Meetings during the year 2017-18		Attended last Annual General Meeting
	Held	Attended	
Shri Vinay Kumar Modi*	5	5	Yes
Shri Alok Kumar Modi	5	5	Yes
Shri Kanwaljit Singh Bains	5	4	Yes
Shri Neeraj Sharma**	5	0	No
Shri Arvind Nath Seth	5	5	No
Ms. Piya Modi	5	5	No
Shri Amrit Kapur ***	5	0	NA

**Note:**

1. Shri. Vinay Kumar Modi joined the meeting held on May 29, 2017 electronically and his presence was not counted for the purpose of quorum.\*
2. Shri Neeraj Sharma ceased to be director w.e.f 13<sup>th</sup> December 2017.\*\*
3. Shri Amrit Kapur was appointed as Independent director w.e.f. 29th May 2018\*\*\*

**(C) Other provisions as to Board and Its Committees:-**

The Board/ Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedules and to ensure meaningful participation in the meetings. Where it is not practicable to circulate any document or the agenda is of confidential nature, the same is tabled with the approval of Chairman.

During the financial year ended March 31, 2018, Five Board Meetings were held as per the minimum requirement of Four meetings prescribed in the Regulation 17(2) of the SEBI(LODR). The intervening period between the Board Meetings were within the maximum time gap prescribed under Companies Act, 2013 and Regulation 17(2) of the SEBI(LODR).

The details of the Board meetings held during the financial year 2017-18 are as under:

Sl. No.	Date of Board meetings	Board Strength	No. of Directors Present
1	May 29, 2017	6	5
2	August 18, 2017	6	5
3	September 13 2017	6	4
4	December 13, 2017	5	5
5	February 08, 2018	5	5

**(D) Code of Conduct**

The Board of Directors has implemented a Code of Conduct applicable to all Directors and Senior Level Management of the Company. Annual Affirmation has been received from all the Directors and Senior Level Management that they have complied with the code of conduct. The copy of the Code has been put on the Company's website [www.modirubberlimited.com](http://www.modirubberlimited.com)

**(E) Familiarization Programme**

Details on familiarization programme for independent directors are uploaded on company's website at following weblink:

[http://www.modirubberlimited.com/financial-result\\_details.php?mid=3&sid=19](http://www.modirubberlimited.com/financial-result_details.php?mid=3&sid=19)



## II) COMMITTEES OF BOARD

In compliance with the SEBI Regulations, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of diverse matters. The Committees operate as per their charter / terms of reference approved by the Board.

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of the meetings of all the Committees are placed before the Board for review.

For smooth conduct of affairs of the Company, the Board has constituted several committees. The scope, brief terms of reference and composition of such committees are as under:

### 1. AUDIT COMMITTEE

The Audit Committee assists in monitoring and providing effective supervision to the Management on financial reporting process with a view to ensuring accurate and timely disclosures with transparency and quality of financial Statements. The Committee oversees the accounting and financial reporting process of the Company, Internal Auditors and the statutory auditors employed in audits of Company's financial statements.

#### a) Composition and terms of reference of Audit Committee

The constitution of Audit Committee meets with the requirements as laid down under Section 177 of the Companies Act, 2013 and also of Regulation 18 of the SEBI(LODR). The present members of the Audit Committee are Shri Kanwaljit Singh Bains as Chairman, Shri Vinay Kumar Modi, Shri ArvindNath Seth and Shri Amrit Kapur as Members. Committee has requisite financial and related management expertise.

The brief terms of reference of the Audit Committee are as follows:

- Oversight of the company's financial reporting process and the disclosure of its financial Information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower/ Vigilmechanism(Policy is uploaded on company's website at following weblink: [http://www.modirubberlimited.com/financial-result\\_details.php?mid=3&sid=19](http://www.modirubberlimited.com/financial-result_details.php?mid=3&sid=19));

Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

#### b) Meetings, Attendance and Composition of the Audit Committee

During the year, the Committee met five times and the maximum time gap between any two meetings was less than four months. The Minutes of the Audit Committee meetings were placed before the Board.

The Committee Meetings were held on May 29 2017, August 18, 2017, September 13 2017, December 13, 2017 and February 08, 2018. The composition and the attendance of members at the meetings held during the FY 2017-18, are given below:

Director	Category	No. of meetings held	No. of meetings attended
Shri K S Bains Chairman	Non-Executive Independent Director	5	4
Shri Vinay Kumar Modi Member	Non-Executive	5	5
Shri Neeraj Sharma* Member	Non-Executive Independent Director	5	0
Shri Arvind Nath Seth Member	Non-Executive Director Independent Director	5	5
Shri Amrit Kapur** Member	Non-Executive Director Independent Director	NA	NA

Note:

1. Shri Neeraj Sharma ceased to be director and member of this Committee w.e.f 13<sup>th</sup> December 2017.\*
2. Shri Amrit Kapur was appointed as additional director and member of this Committee w.e.f. 29th May 2018\*\*

## 2. NOMINATION AND REMUNERATION COMMITTEE

### (a) Brief description of the Terms of Reference of the Committee

The Board had constituted the Nomination and Remuneration Committee comprising of Non-Executive Directors of the company namely Shri K S Bains as Chairman , Shri Vinay Kumar Modi, Shri Arvind Nath Seth and Shri Amrit Kapur as members to recommend/ review, vary and / or modify terms and remuneration of executive directors and members of senior management, based on their performance and assessment criteria.

The brief terms of reference of Nomination and Remuneration Committee are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board Diversity.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The Committee Meetings were held on May 29 2017. The composition and the attendance of members at the meetings held during the FY 2017-18, are given below:

Director	Category	No. of meetings held	No. of meetings attended
Shri K S Bains Chairman	Non-Executive Independent Director	1	1
Shri Vinay Kumar Modi Member	Non-Executive	1	1
Shri Neeraj Sharma* Member	Non-Executive Independent Director	1	0
Shri Arvind Nath Seth Member	Non-Executive Director Independent Director	1	1
Shri Amrit Kapur ** Member	Non-Executive Director Independent Director	NA	NA

Note:

3. Shri Neeraj Sharma ceased to be director and member of this Committee w.e.f 13<sup>th</sup> December 2017.\*
4. Shri Amrit Kapur was appointed as additional director and member of this Committee w.e.f. 29th May 2018\*\*

### (b) Policy for Nomination and remuneration

The Remuneration Policy of the Company is directed towards rewarding and motivating for higher level of individual performance coupled with integrity, qualification expertise and experience of the person that would have a direct bearing on the Company's performance in a competitive landscape. The Independent non-executive directors are paid fees for attending Board/Committee



meetings. Remuneration to KMPs and other employees are paid as per HR Policy of the company, (NOMINATION AND REMUNERATION Policy is uploaded on company's website at following weblink: [http://www.modirubberlimited.com/financial-result\\_details.php?mid=3&sid=19](http://www.modirubberlimited.com/financial-result_details.php?mid=3&sid=19));

**(c) Remuneration to Directors**

**All pecuniary relationships or transactions of the Non-Executive Directors with the Company:** Except the payment of sitting fee, the Company does not have any pecuniary relationship with any of its Non-Executive Directors as well as there is no transaction with the associates or relatives of the Non-Executive Directors during the financial year under review.

**Criteria of making payments to non-executive Directors**

Apart from receiving sitting fees, no Non-Executive Directors including Independent Directors received any fixed component & performance linked incentives from the company during the period under review.

**Remuneration to Directors**

The information/ details to be provided under Corporate Governance Code with regard to remuneration of Directors for the financial year 2017-18 are as follows:

**i. Executive Directors:**

(Amount in Rs.)

Name	Salary	P.F. and other allowances	Benefits and linked services	Total
Mr. Alok Kumar Modi	NIL	NIL	NIL	NA
Mrs. Piya Modi	2700,000	324000	NIL	3024000

**ii. Non- Executive Directors:**

The Non-Executive independent Directors are paid remuneration by way of sitting fees, the details of which are mentioned below:

(Amount in Rs.)

Name of the Non-Executive Director	Sitting Fees		Total
	Board Meetings	Committee Meetings*	
Mr. Neeraj Sharma	NIL	NIL	NA
Mr. Kanwaljit Singh	40000	25000	65000
Mr. Vinay Kumar Modi	NIL	NIL	NA
Mr. ArvindNath Seth	NIL	NIL	NA
Mr. Amrit Kapur	NA	NA	NA

Note:-

1. Shri Neeraj Sharma ceased to be Directorw.e.f 13<sup>th</sup>December 2017.
2. Shri Amrit Kapur was appointed as Non-Executive independent Directorw.e.f. 29th May 2018\*

**3. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

**(a) Composition and terms and reference of committee**

The Stakeholders Relations Committee formerly known as Shareholders' / Investors' Grievance Committee looks after the share transfer work besides redressal of shareholder complaints. The committee consists of Shri Vinay Kumar Modi as Chairman, Shri Alok Modi and \*Shri Arvind Nath Seth as Members. In order to expediting process for transfer of shares, Board of directors have delegated power to approve transfer of shares upto 1000 to the Company Secretary and from 1001 to 5000 to the managing director and transfer of shares beyond 5000 are approved by the Committee. During the year under review, company did not receive more than 5000 shares from single shareholders for approval by the committee.

**(b) Name and designation of Compliance Officer**

The company secretary of the company acts as a compliance officer whose details are given as under:-

Shri S.K BAJPAI

Legal Head & Company Secretary

Email: [investors@modigroup.net](mailto:investors@modigroup.net)

**(c) Investors' Grievances Redressal**

The philosophy of the Company is to give utmost importance to the redressal of investor's grievances. The Company has designated a separate e-mail ID, as mentioned hereunder, for investors to lodge their complaints: - [investors@modigroup.net](mailto:investors@modigroup.net)

During the year under review, 6 complaint was received by the Company / Registrar and Share Transfer Agents from shareholders. All these complaints have since been redressed. There was no share transfer pending for registration as on 31st March, 2018.

#### 4. Corporate Social Responsibility (“CSR”) Committee

##### Composition and terms of reference of CSR Committee

###### a) Composition

The composition of the Corporate Social Responsibility Committee as on March 31, 2018 is as follows:

Name of the Member	Status	Category
Mr. Vinay Kumar Modi	Chairman	Non-Executive director
Mr. Alok Kumar Modi	Member	Executive Director
Mr. Kanwaljit Singh	Member	Independent Director

###### b) Terms of reference of CSR Committee

Main terms of reference CSR Committee are as under:- .

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the CSR related activities to be undertaken by the Company;
- To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken by the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

#### 3. MEETINGS OF INDEPENDENT DIRECTOR:

The Independent Directors namely Mr K S Bains and Mr Arvind Nath Seth without presence of Executive Directors or Management had a meeting for the financial year 2017-18 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.

##### GENERAL BODY MEETINGS

Location and time where the last three Annual General Meetings held are as under:-

Year	Venue	Date	Time
44 <sup>th</sup> AGM	Dayawati Modi Public School, Modinagar	28.09.2017	11.30 A.M.
43 <sup>rd</sup> AGM	Dayawati Modi Public School, Modinagar	29.09.2016	11.30 A.M.
42 <sup>nd</sup> AGM	Dayawati Modi Public School, Modinagar	29.09.2015	11.30 A.M.

- No Special Resolution has been passed last year through Postal Ballot

##### DISCLOSURES

- Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, directors or management, their subsidiaries or relatives etc that may have potential conflict with the interests of the company at large.**

Related Parties Disclosures in accordance with Indian Accounting Standard (Ind AS) 24 of The Institute of Chartered Accountants of India.

A) Subsidiary Companies	% Holdings
i) Modistone Ltd. (in liquidation)	55.32
Note:-Official Liquidator has taken possession of the Company w.e.f. 25.07.2002- the date of appointment of Official Liquidator by Bombay High Court	
ii) Superior Investment (India) Ltd.	100
iii) Spin Investment (India) Ltd	100
B) Joint Venture	
Gujarat Guardian Ltd.	21.24
Asahi Modi Materials Pvt. Ltd.	49.00
Modi Marco Aldany Pvt Ltd	50.00
C) Associate	
Vinura Beverages Pvt. Ltd. (An Associate of a wholly owned subsidiary)	



<b>D) Key Management Personnel:</b>	
Mr. Alok Kumar Modi-Managing Director	
Miss Piya Modi-Whole Time Director	
Mr. Sanjeev Kumar Bajpai-Company Secretary	
Mr. Kamal Gupta-Chief Financial Officer (CFO)	
<b>E) Relatives of Key Management Personnel</b>	
Mr. Vinay Kumar Modi (Father of Mr. Alok Kumar Modi)	
Mrs. Chander Bala Modi (Mother of Mr. Alok Kumar Modi)	
Mrs. Archana Singhania (Sister of Mr. Alok Kumar Modi)	
Mrs. Ritika Modi (Wife of Mr. Alok Kumar Modi)	
<b>F) Enterprises in which Key Management Personnel and relatives of Key Management Personnel has significant influence</b>	
Leaf Investment Pvt. Ltd.	
Mod Fashions and Securities Pvt. Ltd	
Uniglobe Mod Travels Pvt. Ltd	
Uniglobe Travel (South Asia) Pvt. Ltd	
Maple Bear Education Pvt. Ltd.	

The following transactions were carried out with related parties in the ordinary course of business during the year:

	31/03/2017	31/03/2016
<b>A) Subsidiaries:</b>	<b>Amount in Lacs</b>	<b>Amount in Lacs</b>
	31.03.2018	31.03.2017
i) Expenses recovered	12.01	12.00
ii) Receivable at the year end	213.72	Nil
<b>B) Joint Venture:</b>		
i) Expenses recovered	19.91	11.06
ii) Expenses incurred	(36.82)	(17.17)
iii) Income Received	120.46	27.44
iv) Dividend received	1,467.40	1,500.75
v) Security Deposit Received	13.50	-
vi) Receivable/(Payable) at the year end	12.47	23.66
<b>C) Associate:</b>		
i) Income Received	Nil	Nil
ii) Expenses incurred on behalf	Nil	Nil
iii) Receivable at the year end	2.26	2.26
<b>D) Key Management Personnel</b>		
i) Remuneration Paid	127.42	128.37
ii) Sitting Fee	1.02	1.32
<b>E) Others</b>		
i) Expenses recovered	33.26	29.57
ii) Expenses incurred	(77.09)	(90.59)
iii) Income Received	118.08	66.70
iv) Payable/(Receivable) at the year end	209.75	75.83

- **Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.**  
None
- **The Company complies with all the mandatory requirements specified under Listing Regulations,**

## MEANS OF COMMUNICATION

The Company has been sending Annual Reports, notices and other communications to the Shareholders through the prescribed modes under the Act like postage / Courier / electronically if email id of the shareholder is registered with the company.

The Quarterly, Annual Results of the Company as per the statutory requirement are generally published in the The Pioneer (English Newspapers) and Rashtriya Sahara (Hindi Newspapers) and are sent to the Stock Exchanges.

The quarterly and Annual Results along with additional information are also posted on the website of the Company [www.modirubberlimited.com](http://www.modirubberlimited.com)

No representation was made to the Analysts. A Management Discussion and Analysis Report which forms part of the Annual Report are given by separate annexure and are attached to the Directors' Report.

## GENERAL INFORMATION

Date, time and venue of the Annual	:	28 <sup>th</sup> September 2018, 11.30 A.M.
General Meeting	:	Auditorium, Dayawati Modi Public School, Modinagar-201 204
Book Closure	:	22.09.2018 to 28.09.2018 (both days inclusive)
Financial Calendar	:	April 01, 2017 to March 31, 2018
Dividend payment date	:	Nil
Listing on Stock Exchanges	:	The Bombay Stock Exchange Ltd. (BSE) The National Stock Exchange of India Ltd. (NSE)
Stock code	:	MODIRUBBER (NSE) MODIRUBB (BSE) / 500890
Listing fees	:	Duly paid for 2017 -18
Stock Market Data	:	<b>Bombay Stock Exchange of India (BSE)</b>

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread	
										H-L	C-O
Apr 17	97.00	106.90	62.25	80.90	2,16,209	1,365	1,77,58,477	2,16,209	100.00	44.65	-16.10
May 17	84.90	106.40	84.90	89.15	1,69,738	1,125	1,60,18,460	1,69,738	100.00	21.50	4.25
Jun 17	89.25	92.60	80.10	82.00	34,772	301	29,66,253	34,772	100.00	12.50	-7.25
Jul 17	85.60	118.95	85.00	112.75	80,154	609	84,83,507	80,154	100.00	33.95	27.15
Aug 17	108.75	116.00	102.50	112.40	27,780	232	30,67,390	27,780	100.00	13.50	3.65
Sep 17	109.25	128.00	105.00	107.25	31,025	251	35,48,611	31,025	100.00	23.00	-2.00
Oct 17	107.55	123.80	107.00	117.00	14,649	154	16,66,151	14,649	100.00	16.80	9.45
Nov 17	111.20	119.90	103.80	104.55	21,441	188	23,20,811	21,441	100.00	16.10	-6.65
Dec 17	101.00	115.35	96.10	101.85	13,585	155	14,65,410	13,585	100.00	19.25	0.85
Jan 18	100.00	117.80	100.00	108.00	41,539	395	44,80,138	41,539	100.00	17.80	8.00
Feb 18	103.05	108.90	93.60	94.10	8,617	79	8,52,558	8,617	100.00	15.30	-8.95
Mar 18	94.10	94.10	82.00	84.20	17,072	69	14,91,070	17,072	100.00	12.10	-9.90

Registrar and Transfer Agents : Mas Services Ltd.  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase - II, New Delhi - 110 020  
Ph:- 26387281/82/83 , Fax:- 26387384  
email:- [mas\\_serv@yahoo.com](mailto:mas_serv@yahoo.com)  
website : [www.masserv.com](http://www.masserv.com)

## Share Transfer System

M/s. Mas Services Ltd. is the Share Transfer Agent of the Company for handling both physical and demat share registry work. Shares received for transfer complete in all aspects, in physical form are registered and dispatched normally within three weeks. Demat confirmations are normally sent within two weeks.

## Distribution of Shareholding

The following is the distribution pattern of shareholding of equity shares of the Company as on 31.03.2018:



NO OF SHARE HOLDERS	% TO TOTAL	SHARE HOLDING OF NOMINAL VALUE OF RS	NO OF SHARE	AMOUNT IN RS	% TO TOTAL
11461	94.978	1 TO 5000	1111120	11111200	4.437
371	3.075	5001 TO 10000	263414	2634140	1.052
133	1.102	10001 TO 20000	183345	1833450	0.732
32	0.265	20001 TO 30000	79404	794040	0.317
12	0.099	30001 TO 40000	41907	419070	0.167
9	0.075	40001 TO 50000	40691	406910	0.163
26	0.215	50001 TO 100000	180528	1805280	0.721
23	0.191	100001 AND ABOVE	23140123	231401230	92.411
<b>12067</b>	<b>100.00</b>	<b>TOTAL</b>	<b>25040532</b>	<b>250405320</b>	<b>100.00</b>

**Shareholding pattern as on 31.03.2018.**

Category	No. of Shares held	% of Shareholding
Promoters	15698952	62.69
Banks, Insurance Companies	3201	0.01
Mutual Funds	700	0.00
Foreign Institutional Investors	729291	2.91
Bodies Corporate	767858	3.07
NRI/OCBs	5739251	22.92
Indian Public	2101279	8.39
<b>Total</b>	<b>25040532</b>	<b>100.00</b>

**Dematerialization of Shares and Liquidity**

Over 79.63% of the shares have been dematerialized upto 31.03.2018.

**Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity.**

The Company has not issued any GDRs / ADRs / Warrants/ or any convertible instruments.

Address for Correspondence for transfer/dematerialization of shares, and any other query :

Mas Services Ltd.,  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase - II, New Delhi - 110 020  
Ph:- 26387281/82/83 - Fax:- 26387384  
email:- [mas\\_serv@yahoo.com](mailto:mas_serv@yahoo.com)  
website : [www.masserv.com](http://www.masserv.com)

Any query on Annual Report : Secretarial Department,  
Modi Rubber Ltd.,  
4-7C, DDA Shopping Centre, New Friends Colony,  
New Delhi – 110 025, Phone 011 – 47109398  
Fax No.011 - 26837530

**DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT**

I, Alok Kumar Modi, Managing Director of Modi Rubber Limited (“the Company”) hereby declare that, to the best of my information, all the Board Members and Senior Management Personnel of the Company have affirmed their compliance and undertaken to continue to comply with the Code of Conduct laid down by the Board of Directors of the Company.

**For and on behalf of the Board**

Place: New Delhi  
Date: August 13, 2018

**(Alok Kumar Modi)**  
**Managing Director**

---

## CEO AND CFO CERTIFICATION

We, Ms. Piya Modi, Whole time Director, and Mr. Kamal Gupta, Chief Financial Officer of Modi Rubber Limited to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2018 and that to the best of our knowledge and belief:
  - 1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
  - 1. Significant changes in internal control over financial reporting during the year;
  - 2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place: New Delhi**  
**Date: August 13, 2018**

**Piya Modi**  
**Whole time Director**

**Kamal Gupta**  
**Chief Financial Officer**



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members

**Modi Rubber Limited**

### Independent Auditors' Certificate on Corporate Governance

1. We, Suresh Surana & Associates LLP, Chartered Accountants, the Statutory Auditors of MODI RUBBER LIMITED ("the Company"), examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

### Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

### Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2018.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **SURESH SURANA & ASSOCIATES LLP**  
Chartered Accountants  
Firm's Registration No. 121750 W / W-100010

Place : New Delhi  
Dated : 13 August, 2018

**(Rahul Singhal)**  
PARTNER  
Membership No. 096570

---

# INDEPENDENT AUDITOR'S REPORT

---

**To the Members of  
Modi Rubber Limited**

## **Report on the Standalone Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **Modi Rubber Limited, ("the Company")** which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility 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 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive Income, cash flows and Statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the standalone Ind AS financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall

presentation of the Ind AS financial statements.

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, and its loss, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

## **Other Matters**

The financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were not audited by us. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, 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 give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
  - e. on the basis of written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164(2) of the Act.



- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and;
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- the Company has disclosed the impact of pending litigation on its financial position in its financial statements- Refer Note 42 to the financial statements;
  - the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - there is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SURESH SURANA & ASSOCIATES LLP**  
Chartered Accountants  
Firm's Registration No. 121750 W / W-100010

**(Rahul Singhal)**  
PARTNER  
Membership No. 096570

Place : New Delhi  
Dated : 29th May, 2018

S.No.	Nature of Property	Gross Block (Rs. Lacs)	Net Block (Rs. Lacs)
1	Building on lease hold land	27.49	24.97
2	Building on free hold land	18.96	17.16

- As explained to us, the physical verification of inventory has not been conducted during the year due to no access to such inventory.
- The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the Order are not applicable.
- The Company has not granted any loans, investments, guarantees and securities during the year. Accordingly, paragraph 3(iv) of the order is not applicable.
- In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits during the year within the meaning of Sections 73 to 76 of the Act and the rules framed there under, to the extent notified.
- In our opinion, and accounting to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the companies (cost records and audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Act are not applicable to the Company for the year under audit.
- According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, with the appropriate authorities during the year. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31 March 2018 for a period of more than six months from the date they became payable except sales tax dues of various state authorities amounting to Rs.1,878.35 lacs. (Refer Note 25(a))
  - According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute other than the following:

**ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**  
**(Referred to in paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date)**

- The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - The Company has regular programme of physical verification of its fixed assets by which all fixed assets (except the assets which the Company has no access) of respective locations are verified in a phased manner over a period of three years. Accordingly, physical verification of fixed Assets was carried out in financial year 2017-18. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the following cases (Refer Note 2).

Name of the Statute	State	Amount Rs. Lacs	Forum Where Dispute is pending	Period Which It Relates to
Central Excise Act, 1944	Excise Duty	30.85	2000-01 & 2001-2002	Assistant Commissioner, Meerut
Central Excise Act, 1944	Excise Duty	77.38	1977-78	Allahabad High Court
Central Excise Act, 1944	Excise Duty	23.65	April, 1981	Allahabad High Court

Name of the Statute	State	Amount Rs. Lacs	Forum Where Dispute is pending	Period Which It Relates to
Foreign Trade Development and Regulation Act, 1992	Custom Duty	200.00	1995-1996	Additional DGFT Commissioner (A)
Custom Act, 1962	Custom Duty	383.53	1996 to 2001	CESTAT
Income Tax Act, 1961	Income Tax	1376.07	2003-2004	Income Tax Appellate Tribunal
PGST ACT, 1948	Sales Tax	17.53	1992 to 2002	Deputy Excise & Taxation Commissioner, Jalandhar
Bihar Sales Tax Act	Sales Tax	101.23	2001-2001	Commercial Taxes Tribunal, Patna
UP Trade Tax Act	Sales Tax	36.50	1977-1989	Allahabad High Court
UP Trade Tax Act	Sales Tax	118.02	2000-2001	Tribunal, Ghaziabad
UP Trade Tax Act	Sales Tax	116.11	2001-2002	Tribunal, Ghaziabad

8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayments of loans and borrowings from any financial institution, banks, government or debenture holders during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loan raised by the company was applied for the purpose for which it was raised.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. Based on our audit procedures and as per the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. Based on our audit procedures and as per the information and explanations given by the management, the Company has not

entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **SURESH SURANA & ASSOCIATES LLP**  
Chartered Accountants  
Firm's Registration No. 121750 W / W-100010

**(Rahul Singhal)**

PARTNER

Place : New Delhi  
Dated : 29th May, 2018

Membership No. 096570

#### **ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

##### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Modi Rubber Limited**, ("the Company") as on 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

##### **Management's Responsibility for Internal Financial Controls**

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



### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the

assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SURESH SURANA & ASSOCIATES LLP**  
Chartered Accountants  
Firm's Registration No. 121750 W / W-100010

Place : New Delhi  
Dated : 29th May, 2018

**(Rahul Singhal)**  
PARTNER  
Membership No. 096570

# BALANCE SHEET

## AS AT 31ST MARCH, 2018

PARTICULARS	Note No.	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
		Rs. Lacs	Rs. Lacs	Rs. Lacs
<b>I ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	3,228.22	1,300.27	1,268.16
Capital work-in-progress	3	-	1,905.25	497.81
Other intangible assets	2	2.27	2.32	4.38
<b>Financial Assets</b>				
Investments	4	6,233.97	6,365.38	6,554.12
Loans	5	14.77	14.98	14.61
Other financial assets	6	4,877.06	4,602.38	4,475.79
Deferred tax assets(net)	7	388.07	2,565.05	2,242.38
Other non-current assets	8	1,018.87	986.85	756.95
<b>Total non-current assets</b>		<b>15,763.23</b>	<b>17,742.48</b>	<b>15,814.20</b>
<b>Current Assets</b>				
Inventories	9	75.42	75.42	75.42
<b>Financial Assets</b>				
Investments	10	2,550.57	1,796.89	2,797.11
Trade receivables	11	110.51	289.14	250.91
Cash and cash equivalents	12	1,210.11	106.95	156.98
Loans	13	39.48	35.96	15.33
Other financial assets	14	36.42	96.35	223.94
Current tax assets (Net)	15	83.80	84.81	83.80
Other current assets	16	178.53	204.10	191.76
<b>Total current assets</b>		<b>4,284.84</b>	<b>2,689.62</b>	<b>3,795.25</b>
<b>Total Assets</b>		<b>20,048.07</b>	<b>20,432.10</b>	<b>19,609.45</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	17	2,504.05	2,504.05	2,504.05
Other equity	18	13,215.41	13,478.82	12,960.63
<b>Total equity</b>		<b>15,719.46</b>	<b>15,982.87</b>	<b>15,464.68</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	19	321.73	356.12	288.59
Other financial liabilities	20	55.37	34.28	31.62
Provisions	21	-	-	12.43
Other non-current liabilities	22	35.60	33.69	46.82
<b>Total non-current liabilities</b>		<b>412.70</b>	<b>424.09</b>	<b>379.46</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	23	271.62	447.33	447.33
Other financial liabilities	24	702.58	786.25	703.36
Other current liabilities	25	2,941.71	2,791.56	2,614.62
<b>Total current liabilities</b>		<b>3,915.91</b>	<b>4,025.14</b>	<b>3,765.31</b>
<b>Total Equity and Liabilities</b>		<b>20,048.07</b>	<b>20,432.10</b>	<b>19,609.45</b>

The accompanying notes 1 to 50 form an integral part of these financial statements.

	As per our Report Attached For Suresh Surana & Associates LLP (Firm Registration No. 121750W/W-100010) Chartered Accountants	Alok Modi (DIN: 00174374) Managing Director	S.K. Bajpai (ACS: 10110) Head-Legal & Company Secretary
	Rahul Singhal Partner (M.No. 096570)	Amrit Kapur (DIN: 00508710) K.S. Bains (DIN: 01444259) Arvind Nath Seth (DIN: 00464893) Piya Modi (DIN: 03623417) Directors	Kamal Gupta Chief Financial Officer
Place : New Delhi			
Date : 29 <sup>th</sup> May, 2018			



# STATEMENT OF PROFIT & LOSS

## FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Revenue</b>		Rs. Lacs	Rs. Lacs
Revenue from operations	26	592.59	515.08
Other income	27	1,960.70	1,985.89
<b>Total revenue</b>		<b>2,553.29</b>	<b>2,500.97</b>
<b>Expenses</b>			
Employee benefits expense	28	480.80	451.03
Finance costs	29	49.31	47.39
Depreciation and amortization expense	2	321.76	127.71
Other expenses	30	1,882.77	1,485.83
<b>Total expenses</b>		<b>2,734.64</b>	<b>2,111.96</b>
<b>Profit before tax and exceptional items</b>		<b>(181.35)</b>	<b>389.01</b>
<b>Exceptional items</b>			
Profit on disposal of investment (Refer note 49)		2,050.30	-
<b>Profit before tax</b>		<b>1,868.95</b>	<b>389.01</b>
<b>Tax expense</b>			
Current tax			
Current year		84.00	-
Earlier years		(4.31)	18.75
Deferred tax		1,631.42	(322.67)
MAT credit written off		441.92	-
<b>Total tax expense</b>		<b>2,153.03</b>	<b>(303.92)</b>
<b>Profit for the year</b>		<b>(284.08)</b>	<b>692.93</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of post employment benefit obligations		11.50	-
- Income tax related to above items		(2.99)	-
- Investment in equity instruments measured at fair value		112.81	(174.74)
- Income tax related to above items		(100.65)	-
<b>Other comprehensive income for the year (net of income tax)</b>		<b>20.67</b>	<b>(174.74)</b>
<b>Total comprehensive income for the year</b>		<b>(263.41)</b>	<b>518.19</b>
Earnings per equity share	31		
(nominal value of Rs 10 per share)			
Basic & Diluted (Rs)		(1.13)	2.77

The accompanying notes 1 to 50 form an integral part of these financial statements.

As per our Report Attached For Suresh Surana & Associates LLP (Firm Registration No. 121750W/W-100010) Chartered Accountants	Alok Modi (DIN: 00174374) Managing Director	S.K. Bajpai (ACS: 10110) Head-Legal & Company Secretary
Rahul Singhal Partner (M.No. 096570)	Amrit Kapur (DIN: 00508710) K.S. Bains (DIN: 01444259) Arvind Nath Seth (DIN: 00464893) Piya Modi (DIN: 03623417) Directors	Kamal Gupta Chief Financial Officer
Place : New Delhi Date : 29 <sup>th</sup> May, 2018		

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A Cash flows from operating activities</b>	Rs. Lacs	Rs. Lacs
<b>Profit before tax</b>	1,868.95	389.01
Adjustments for:		
Depreciation and amortization	321.76	127.71
Provision of doubtful debts and advances	254.11	86.21
(Profit)/ loss on sale of Property, plant and equipment	-	0.02
(Profit)/ loss on sale of investment	(2,174.57)	(95.83)
Financial assets measured at fair value	(63.98)	(120.71)
Interest on security deposit at amortised cost	(2.85)	(2.61)
Interest paid	15.48	13.15
Liabilities written back	(121.13)	(43.23)
Interest income	(136.78)	(199.01)
Dividend received	(1,493.14)	(1,524.17)
Sundry balances written off	68.69	-
Finance charges on financial liabilities measured at amortised cost	-	0.02
Unwinding of discount on financial assets at amortized cost	3.15	2.65
<b>Operating Profit before working capital changes</b>	<b>(1,460.31)</b>	<b>(1,366.79)</b>
Adjustments for:		
Increase/(decrease) in trade payables	(175.71)	-
Increase/(decrease) in provisions	-	(12.43)
Increase/(decrease) in other non-current financial liabilities	20.79	2.62
Increase/(decrease) in other non-current liabilities	1.91	(13.13)
Increase/(decrease) in other current financial liabilities	33.78	106.91
Increase/(decrease) in other current liabilities	150.15	176.93
Decrease/(increase) in loans and advances	(3.31)	(21.00)
Decrease/(increase) in other non-current assets	(641.51)	(116.08)
Decrease/(increase) in trade receivables	(75.48)	(124.44)
Decrease/(increase) in other financial assets	(250.72)	92.02
Decrease/(increase) in other financial assets	(4.64)	122.57
Decrease/(increase) in other current assets	(43.12)	(12.34)
<b>Net cash generated from operations</b>	<b>(2,448.17)</b>	<b>(1,165.16)</b>
Less: Taxes paid, net of refund	351.62	(335.84)
<b>Net cash from operating activities (A)</b>	<b>(2,096.55)</b>	<b>(1,501.00)</b>
<b>B Cash flows from investing activities</b>		
Dividend received	1,493.14	1,524.17
Interest received on fixed deposits	177.39	(14.58)
Purchase of property, plant and equipment	(153.71)	(1,679.16)
Proceeds from sale of property, plant and equipment	-	0.11
Proceeds from sale of long term investments	2,418.79	109.83
Proceeds from sale of short term investments	(689.70)	1,437.01
<b>Net cash from investing activities (B)</b>	<b>3,245.91</b>	<b>1,377.38</b>
<b>C Cash flows from financing activities</b>		
Increase/ (decrease) in borrowings	(30.72)	86.74
Interest paid	(15.48)	(13.15)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(46.20)</b>	<b>73.59</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,103.16</b>	<b>(50.03)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>106.95</b>	<b>156.98</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,210.11</b>	<b>106.95</b>



Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
-------------	--------------------------------------	--------------------------------------

**Notes:**

- (i) The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Cash Flow Statements.  
(ii) Amounts in brackets represent a cash outflow or a loss.  
(iii) Components of cash and cash equivalents included under cash and bank balances are as under:

**Cash and cash equivalents (note 12)**

Cash in hand	3.39	3.16
Balances with banks		
- In current account	706.72	103.79
- Deposits with original maturity of upto 3 months	500.00	-
<b>Total</b>	<b>1,210.11</b>	<b>106.95</b>

The accompanying notes 1 to 50 form an integral part of these financial statements.

	As per our Report Attached For Suresh Surana & Associates LLP (Firm Registration No. 121750W/W-100010) Chartered Accountants	Alok Modi (DIN: 00174374) Managing Director	S.K. Bajpai (ACS: 10110) Head-Legal & Company Secretary
Place : New Delhi Date : 29 <sup>th</sup> May, 2018	Rahul Singhal Partner (M.No. 096570)	Amrit Kapur (DIN: 00508710) K.S. Bains (DIN: 01444259) Arvind Nath Seth (DIN: 00464893) Piya Modi (DIN: 03623417) Directors	Kamal Gupta Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

## A. Equity Share Capital

For the period ended March 31, 2018

(Amount in lacs)

Balance as at April 01, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
2,504.05	-	2,504.05

For the year ended March 31, 2017

(Amount in lacs)

Balance as at April 01, 2016	Changes in equity share capital during the year	Balance as at March 31, 2017
2,504.05	-	2,504.05

## B. Other Equity

For the year ended March 31, 2018

(Amount in lacs)

Particulars	Reserves & Surplus			Items of Other Comprehensive income		Total
	Capital reserve	Security Premium Reserve	Retained Earnings	Actuarial gain/ (loss)	Equity instruments measured at fair value	
<b>Balance as at April 1, 2017</b>	19.26	5,782.32	7,851.98	-	(174.74)	<b>13,478.82</b>
Profit for the year	-	-	(284.08)	-	-	<b>(284.08)</b>
Other comprehensive income	-	-	-	11.50	112.81	<b>124.31</b>
Income tax on OCI items	-	-	-	(2.99)	(100.65)	<b>(103.64)</b>
<b>Total Comprehensive Income</b>	-	-	<b>(284.08)</b>	<b>8.51</b>	<b>12.16</b>	<b>(263.41)</b>
<b>Balance as at March 31, 2018</b>	<b>19.26</b>	<b>5,782.32</b>	<b>7,567.90</b>	<b>8.51</b>	<b>(162.58)</b>	<b>13,215.41</b>

For the year ended March 31, 2017

(Amount in lacs)

Particulars	Reserves & Surplus			Items of Other Comprehensive income		Total
	Capital reserve	Security Premium Reserve	Retained Earnings	Actuarial gain/ (loss)	Equity instruments measured at fair value	
<b>Balance as at April 1, 2016</b>	19.26	5,782.32	5,893.40	-	-	<b>11,694.98</b>
Ind AS transition adjustments (Refer note 32)	-	-	1,265.65	-	-	<b>1,265.65</b>
<b>Restated balance at the beginning of the reporting year</b>	<b>19.26</b>	<b>5,782.32</b>	<b>7,159.05</b>	-	-	<b>12,960.63</b>
Profit for the year	-	-	692.93	-	-	<b>692.93</b>
Other comprehensive income	-	-	-	-	(174.74)	<b>(174.74)</b>
<b>Total Comprehensive Income</b>	-	-	<b>692.93</b>	-	<b>(174.74)</b>	<b>518.19</b>
<b>Balance as at March 31, 2017</b>	<b>19.26</b>	<b>5,782.32</b>	<b>7,851.98</b>	-	<b>(174.74)</b>	<b>13,478.82</b>



## Significant accounting policies and other notes to financial statements for the year ended March 31, 2018

### 1. CORPORATE INFORMATION

Modi Rubber Ltd. ("the Company") is a company domiciled in India, with its registered office situated at Modi Bhawan, Modinagar-201204, District Ghaziabad, Uttar Pradesh. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the BSE & NSE in India.

#### 1.1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Preparation of Financial Statements

##### a) Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015. The financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of the Standards notified under the Companies (Accounting Standards) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI) as amended from time to time. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Details of first-time adoption exemptions availed by the Company is given in Note 32. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2017 and April 1, 2016 and of the comprehensive net income for the year ended March 31, 2017.

##### b) Basis of Preparation and Presentation

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period and in case of certain items of Income/Expenditure where recovery/payment is uncertain.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### Functional and Presentation Currency

The financial statements have been prepared and presented in Indian Rupees (₹), which is also the Company's functional currency.

##### Rounding off

All amounts in the financial statement and accompanying notes are presented in ' Lakhs and have been rounded-off to two decimal place unless stated otherwise.

##### Current and Non-current Classification

The Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents.

##### c) Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

i) Raw Materials	Lower of cost or net realizable value
ii) Goods-in-process	Lower of cost or net realizable value
iii) Finished Goods	Lower of cost or net realizable value
iv) Stores, Spares Parts and Loose Tools	At weighted average cost
v) Scrap and Wastage	At estimated selling price

---

**d) Property, Plant and equipment**

- i) Items of property, plant & equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost is inclusive of freight, duties, taxes or levies (net of recoverable taxes) and any directly attributable cost of bringing the assets to their working condition for intended use.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Profit or loss on disposal/ scrapping/ write off/ retirement from active use of an item of property, plant and equipment is recognised in the statement of profit and loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Leasehold land, building on leasehold land as well as building on freehold land that are neither held to earn rentals nor for capital appreciation do not qualify as investment property.

- ii) Intangible assets acquired separately are measured on initial recognition at cost. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized

**Impairment of Property, Plant and Equipment**

At each balance sheet date, items of property, plant and equipment are reviewed to determine whether there is any indication of impairment. If any impairment indicator exists, estimate of the recoverable amount of the property, plant and equipment is made. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount rate.

Reversal of impairment losses recognised in earlier years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for that asset in earlier years.

**e) Depreciation and Amortization**

- i) Depreciation on Machinery is provided on Straight Line method and other assets on the written down value method over the useful estimated lives of assets as mentioned in Schedule II of the Companies Act, 2013. The estimated useful lives of the assets are as follows:

<b>Assets</b>	<b>Useful Life</b>
Building	30-60 years
Plant & Machinery	15 years
Furniture & Fixtures	10 years
Electrical Installation	10 years
Vehicles	8 years
Office Equipment	5 years
Computers	3 years

- ii) Intangible assets are amortized on a straight line basis over the estimated useful economic life.
- iii) Depreciation on Investment property is provided on the written down value method over the useful estimated lives of assets as mentioned in Schedule II of the Companies Act, 2013. Useful lives and residual values of all the fixed assets are reviewed annually.

**f) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:



### **Sale of goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed on to the buyer, usually on delivery of goods. The company collects Service Tax, value added taxes (VAT) and Goods & Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. GST/Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

### **Interest**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

### **Dividend**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

**Other Incomes are recognized on accrual basis.**

## **g) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

### **Current Tax**

The tax currently payable is based on taxable profits for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### **Current and Deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### **Minimum Alternate Tax**

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent

---

the Company does not have convincing evidence that it will pay normal tax during the specified period.

**h) Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earning per share is the net profit for the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue.

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

**i) Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset/s and the arrangement conveys a right to use the asset/s, even if that right is not explicitly specified in an arrangement.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee. All other leases are classified as operating leases.

Payments made under operating leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same is recognised as an expense in line with the contractual term.

**j) Foreign Exchange Transactions**

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

**k) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

**l) Employee Benefits**

**Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, expected cost of bonus, ex-gratia, leave travel allowance, medical reimbursement, etc. are recognised in the period in which the employee renders the related services.

**Compensated absences:** As per the Company's leave policy, employees have to utilise their leave entitlement during the financial year and cannot carry forward their outstanding leave balance. Consequently, the Company does not make any provision for leave encashment/compensated absences as at the year end.

**Post employment benefit plans**

**Defined Contribution Plan** - Contributions towards Employees' PF Linked Pension Scheme is made to the regulatory



authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

#### **Defined Benefit Plan**

**Provident Fund:** Contribution towards provident fund are made to Employees' Provident Fund Organisation, India.

**Gratuity:** The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering employees on actual duty. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognised in the Other Comprehensive Income in the year in which they arise.

#### **m) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised in the financial statements.

#### **n) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### **o) Financial instruments**

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments.

##### **Initial recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Regular way purchase and sale of financial assets are accounted for at trade date.

##### **Subsequent measurement**

#### **a) Non-derivative financial instruments**

##### **i) Cash and Cash equivalents**

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

##### **ii) Financial assets carried at amortised cost**

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

##### **iii) Equity investments at fair value through other comprehensive income (FVTOCI)**

These include financial assets that are equity instruments and are irrevocably designated as such upon initial recognition. Subsequently, these are measured at fair value and changes therein are recognized directly

---

in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognized in the Statement of Profit and Loss when the right to receive payment has been established. When the equity investment is derecognized, the cumulative gain or loss in equity is transferred to retained earnings.

**iv) Financial assets at fair value through profit or loss (FVTPL)**

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

**v) Financial liabilities**

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

**b) Share Capital**

**Ordinary Shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognized as a deduction from equity.

**c) Derecognition of financial instruments**

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

**p) Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

The fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability

**q) Impairment of Financial Assets**

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

**r) First-time adoption-mandatory exceptions and optional exemptions**

**Overall Principle**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by



recognising all assets and liabilities whose recognition is required under Ind AS, not recognising items of assets and liabilities which are not permitted under Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

**Deemed cost for property, plant and equipment**

The company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**s) Critical estimates in applying accounting policies**

The preparation of financial statements in conformity with Ind AS requires management to make certain judgements and estimates that may affect the application of accounting policies, reported amounts and related disclosures.

These judgements and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and income and expense items for the period under review. Actual results may differ from these judgments and estimates.

All assumptions, expectations and forecasts that are used as a basis for judgements and estimates in the financial statements represent as accurately an outlook as possible for the group. These judgements and estimates only represent our interpretation as of the dates on which they were prepared. Important judgements and estimates relate largely to provisions, pensions, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

**t) RECENT ACCOUNTING PRONOUNCEMENTS**

**Impact of implementation of Goods and Services Tax (GST) on the financial statements**

Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT, Service Tax etc. have been subsumed into GST. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, Financial statements for the year ended 31 March 2018 and in particular absolute expenses etc. are not comparable with the figures of the previous year.

## 2. Property, plant & equipment

As at March 31, 2018

(Amount in lacs)

Particulars	Gross Block				Depreciation/Amortisation and Impairment				Net Block
	As At 1.4.2017	Additions	Deductions/ Adjustments	As At 31.3.2018	As At 1.4.2017	For the Year	Deductions/ Adjustments	Upto 31.3.2018	As At 31.3.2018
<b>Assets taken on lease</b>									
Leasehold land	127.53	-	-	127.53	-	-	-	-	127.53
Building on leasehold land*	258.21	1,440.61		1,698.82	13.43	64.60	-	78.03	1,620.79
<b>(A)</b>	<b>385.74</b>	<b>1,440.61</b>	<b>-</b>	<b>1,826.35</b>	<b>13.43</b>	<b>64.60</b>	<b>-</b>	<b>78.03</b>	<b>1,748.32</b>
<b>Own assets</b>									
Freehold land	183.90	-	-	183.90	-	-	-	-	183.90
Building on freehold land**	318.60	-	-	318.60	15.04	14.31	-	29.35	289.25
Plant & machinery	177.92	-	-	177.92	-	-	-	-	177.92
Furniture and fixtures	23.48	451.98	-	475.46	5.92	89.66	-	95.58	379.88
Office equipments	79.29	354.86	-	434.15	26.82	91.87	-	118.69	315.46
Vehicles	255.90	1.31	-	257.21	63.35	60.37	-	123.72	133.49
<b>(B)</b>	<b>1,039.09</b>	<b>808.15</b>	<b>-</b>	<b>1,847.24</b>	<b>111.13</b>	<b>256.21</b>	<b>-</b>	<b>367.34</b>	<b>1,479.90</b>
<b>Total (A) + (B)</b>	<b>1,424.83</b>	<b>2,248.76</b>	<b>-</b>	<b>3,673.59</b>	<b>124.56</b>	<b>320.81</b>	<b>-</b>	<b>445.37</b>	<b>3,228.22</b>

As at March 31, 2017

(Amount in lacs)

Particulars	Gross Block				Depreciation/Amortisation and Impairment				Net Block
	As At 1.4.2016	Additions	Deductions/ Adjustments	As At 31.3.2017	As At 1.4.2016	For the Year	Deductions/ Adjustments	Upto 31.3.2017	As At 31.3.2017
<b>Assets taken on lease</b>									
Leasehold land	127.53	-	-	127.53	-	-	-	-	127.53
Building on leasehold land*	258.21	-	-	258.21	13.43			13.43	244.78
<b>(A)</b>	<b>385.74</b>	<b>-</b>	<b>-</b>	<b>385.74</b>	<b>-</b>	<b>13.43</b>	<b>-</b>	<b>13.43</b>	<b>372.31</b>
<b>Own assets</b>									
Freehold land	183.90	-	-	183.90	-	-	-	-	183.90
Building on freehold land**	318.60	-	-	318.60	-	15.04	-	15.04	303.56
Plant & machinery	177.92	-	-	177.92	-	-	-	-	177.92
Furniture and fixtures	20.69	2.79		23.48	-	5.92	-	5.92	17.56
Office equipments	72.08	7.63	0.42	79.29	-	27.11	0.29	26.82	52.47
Vehicles	109.23	146.67	-	255.90	-	63.35	-	63.35	192.55
<b>(B)</b>	<b>882.42</b>	<b>157.09</b>	<b>0.42</b>	<b>1,039.09</b>	<b>-</b>	<b>111.42</b>	<b>0.29</b>	<b>111.13</b>	<b>927.96</b>
<b>Total (A) + (B)</b>	<b>1,268.16</b>	<b>157.09</b>	<b>0.42</b>	<b>1,424.83</b>	<b>-</b>	<b>124.85</b>	<b>0.29</b>	<b>124.56</b>	<b>1,300.27</b>

### Gross Block

**\*Building on leasehold land includes :-**

- Alongwith other assets at Mumbai, possession of which (except one floor) is with the company as per court decision. Transfer of title of property is pending decision of court.

27.49

- \* Building on leasehold land includes leasehold improvement

**\*\*Building on freehold land include :-**

- Alongwith cost of land on which depreciation charged on total cost
- For which conveyance deed is yet to be executed (15, Friends Colony West, New Delhi)

2.07

18.96



### Intangible Assets As at March 31, 2018

(Amount in lacs)

Particulars	Gross Block				Amortisation				Net Block
	As At 1.4.2017	Additions	Deductions/ Adjustments	As At 31.3.2018	As At 1.4.2017	For the Year	Deductions/ Adjustments	Upto 31.3.2018	As At 31.3.2018
Software	5.19	0.90	-	6.09	2.87	0.95	-	3.82	2.27
<b>Total</b>	<b>5.19</b>	<b>0.90</b>	<b>-</b>	<b>6.09</b>	<b>2.87</b>	<b>0.95</b>	<b>-</b>	<b>3.82</b>	<b>2.27</b>

### As at March 31, 2017

(Amount in lacs)

Particulars	Gross Block				Amortisation				Net Block
	As At 1.4.2016	Additions	Deductions/ Adjustments	As At 31.3.2017	As At 1.4.2016	For the Year	Deductions/ Adjustments	Upto 31.3.2017	As At 31.3.2017
Software	4.38	0.81	-	5.19	-	2.87	-	2.87	2.32
<b>Total</b>	<b>4.38</b>	<b>0.81</b>	<b>-</b>	<b>5.19</b>	<b>-</b>	<b>2.87</b>	<b>-</b>	<b>2.87</b>	<b>2.32</b>

## 3. Capital Work in Progress

### As at March 31, 2018

(Amount in lacs)

Particulars	Gross Block				Amortisation				Net Block
	As At 1.4.2017	Additions	Deductions/ Adjustments	As At 31.3.2018	As At 1.4.2017	For the Year	Deductions/ Adjustments	Upto 31.3.2018	As At 31.3.2018
Capital Work in Progress_building	1,905.25	435.34	2,340.60	-	-	-	-	-	-
<b>Total</b>	<b>1,905.25</b>	<b>435.34</b>	<b>2,340.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### As at March 31, 2017

(Amount in lacs)

Particulars	Gross Block				Amortisation				Net Block
	As At 1.4.2016	Additions	Deductions/ Adjustments	As At 31.3.2017	As At 1.4.2016	For the Year	Deductions/ Adjustments	Upto 31.3.2017	As At 31.3.2017
Capital Work in Progress_building	497.81	1,407.44	-	1,905.25	-	-	-	-	1,905.25
<b>Total</b>	<b>497.81</b>	<b>1,407.44</b>	<b>-</b>	<b>1,905.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,905.25</b>

## 4. Non-current Investments

(Amount in lacs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
(a) Investment In Equity Instruments- Fully paid up Quoted (at fair value through Other comprehensive income) No.of Shares/Units (refer footnote i)			
197,999 (March 31, 2017:197,999; April 1, 2016: 197,999) Lords Chloro Alkali Ltd. of Rs. 10 each	99.99	67.22	56.92
680,001 (March 31, 2017:680,001; April 1, 2016: 680,001) Bihar Sponge Iron Ltd. of Rs. 10 each	12.31	15.23	17.41
83,245 (March 31, 2017:92,750; April 1, 2016:92,750) Infosys Limited of Rs.5 each (Bonus Shares)	944.33	946.79	1,129.65
	<b>1,056.63</b>	<b>1,029.24</b>	<b>1,203.98</b>

(Amount in lacs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
<b>Unquoted (at cost) No. of Shares/Units</b>			
<b>Subsidiaries</b>			
11,475,000 (March 31, 2017:11,475,000; April 1, 2016: 11,475,000) Modistone Ltd. of Rs. 10 each	2,137.50	2,137.50	2,137.50
Less : Provision for diminution in value of shares	(2,137.50)	(2,137.50)	(2,137.50)
29,915 (March 31, 2017:29,915; April 1, 2016:29,915) Superior Investment (India) Ltd. of Rs. 100 each	29.92	29.92	29.92
29,915 (March 31, 2017:29,915; April 1, 2016:29,915) Spin Investment (India) Ltd. of Rs. 100 each	29.92	29.92	29.92
<b>Joint Ventures</b>			
33,350,000 (March 31, 2017:33,350,000; April 1, 2016: 33,350,000) Gujarat Guardian Ltd. of Rs. 10 each	3,335.00	3,335.00	3,335.00
14,700,000 (March 31, 2017:14,700,000; April 1, 2016: 14,700,000) Asahi Modi Materials Pvt. Ltd. of Rs. 10 each	1,470.00	1,470.00	1,470.00
2,020,034 (March 31, 2017:Nil; April 1, 2016:Nil) Modi Marco Aldany Pvt Ltd. of Rs. 10 each	202.00	-	-
	<b>5,066.84</b>	<b>4,864.84</b>	<b>4,864.84</b>
<b>Other Investments (at fair value) No. of Shares/Units</b>			
Nil (March 31, 2017:3,137,000; April 1, 2016:3,137,000) Xerox India Ltd. of Rs. 10 each	-	459.30	459.30
1,250,000 (March 31, 2017:1,250,000 ; April 1, 2016: 1,250,000) Spark Plug Ltd. of Rs. 10 each	125.00	125.00	125.00
Less : Provision for diminution in value of shares	(125.00)	(125.00)	(125.00)
	<b>-</b>	<b>459.30</b>	<b>459.30</b>
<b>(b) Investment In Government or Trust Securities</b>			
<b>Unquoted (at fair value)</b>			
12.30% Central Government Stock, 2016	-	-	14.00
12.60% Central Government Stock, 2018	12.00	12.00	12.00
	<b>12.00</b>	<b>12.00</b>	<b>26.00</b>
<b>(c) Others</b>			
<b>Joint Venture</b>			
Investment in Modi Marco Aldany Pvt Ltd. (Share application money pending allotment)	98.50	-	-
<b>Total</b>	<b>6,233.97</b>	<b>6,365.38</b>	<b>6,554.12</b>

Footnote:

(i) Market Rate - (March 31, 2018: 1,056.63 lakhs; March 31, 2017: 1,029.24 lakhs; April 1, 2016: 1,203.98 lakhs)

(ii) For explanation on the Company credit risk management process refer note 35.1



## 5. Non-current Loans

(Amount in lacs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
<b>Loans</b>			
<b>Unsecured, considered good</b>			
Others deposits for utilities	14.77	14.98	14.61
<b>Unsecured Considered doubtful</b>			
Loan to Lords Chloro Alkali Limited	-	10.00	10.00
Less: Provision for doubtful loan	-	(10.00)	(10.00)
<b>Total</b>	<b>14.77</b>	<b>14.98</b>	<b>14.61</b>

(i) For explanation on the Company credit risk management process refer note 35.1

## 6. Other Non-current Financial Assets

(Amount in lacs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Restricted deposit with banks (Refer footnote a & b)			
Deposits with banks (Refer footnote c & d)	4,253.30	4,002.58	4,094.60
Interest accrued on non current bank balance (Refer footnote c & d)	623.76	599.80	381.19
<b>Total</b>	<b>4,877.06</b>	<b>4,602.38</b>	<b>4,475.79</b>

Footnote i

- a) **Nature:** The restrictions are primarily on account of fixed deposits pledged with various government authorities & others and bank guarantees given.
- b) **Terms & conditions:** The deposits maintained by the Company with banks comprise of time deposits which can be withdrawn by the Company subject to compliance of restrictions.
- c) Deposit with banks and interest accrued includes Rs 2,415.42 lacs and Rs 511.14 lacs respectively which represents an escrow account which was created due to Share Purchase Agreement dated July 15, 2011, between the Company & Continental India Limited, in order to cover unascertained liabilities till the expiry of escrow period (2019), and hence interest income accrued on escrow account deposit is not considered as income and shown as liability under "Other Current Liabilities". (Refer Note 25)
- d) Deposit with banks and interest accrued includes Rs 1,300 lacs and Rs 56.64 lacs respectively which represents payment made against bank guarantee issued on direction of the Registrar of Supreme Court in the matter of intercorporate deposits amounting to Rs 500 lacs (Refer Note 19(b))

## 7. Deferred Tax Assets (Net)

(Amount in lacs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
<b>Deferred tax assets</b>			
Provision for gratuity	-	15.70	(41.55)
Carried forward business losses/unabsorbed depreciation	-	1,693.93	1,464.00
Taxes and duties u/s 43B	530.76	618.76	624.77
Measurement of liabilities at amortised cost	(11.10)	(66.63)	(64.01)
Measurement of liabilities at amortised cost	(0.53)	0.08	(0.74)
Rent equalisation reserve	6.70	7.88	7.79
MAT credit entitlement	-	441.92	441.92
<b>Deferred tax liabilities</b>			
Measurement of investment at fair value through other comprehensive income	(100.65)	-	-
On account of property, plant & equipment	(123.25)	(174.00)	(190.57)
Measurement of assets at amortised cost	89.13	27.41	0.77
Remeasurement of post employment benefit obligations	(2.99)	-	-
<b>Total</b>	<b>388.07</b>	<b>2,565.05</b>	<b>2,242.38</b>

a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

### Movement in deferred tax balances

March 31, 2018

(Amount in lacs)

Particulars	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2018
Difference in book depreciation and tax depreciation	(174.00)	50.75	-	(123.25)
Gratuity	15.70	(15.70)	-	-
Carried forward business losses/unabsorbed depreciation	1,693.93	(1,693.93)	-	-
Taxes and duties u/s 43B (Sales tax provision)	618.76	(88.00)	-	530.76
Measurement of investment at fair value through profit or loss	(66.63)	55.53	-	(11.10)
Measurement of investment at fair value through Other comprehensive income	-	-	(100.65)	(100.65)
Remeasurement of post employment benefit obligations	-	-	(2.99)	(2.99)
MAT credit entitlement	441.92	(441.92)	-	-
Measurement of liabilities at amortised cost	0.08	(0.61)	-	(0.53)
Measurement of assets at amortised cost	27.41	61.72	-	89.13
Rent equalisation reserve	7.88	(1.18)	-	6.70
<b>Net tax assets/(liabilities)</b>	<b>2,565.05</b>	<b>(2,073.34)</b>	<b>(103.64)</b>	<b>388.07</b>



March 31, 2017

(Amount in lacs)

Particulars	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2017
Difference in book depreciation and tax depreciation	(190.57)	16.57	-	(174.00)
Gratuity	(41.55)	57.25	-	15.70
Carried forward business losses/unabsorbed depreciation	1,464.00	229.93	-	1,693.93
Taxes and duties u/s 43B	624.77	(6.01)	-	618.76
MAT credit entitlement	441.92	-	-	441.92
Measurement of investment at fair value	(64.01)	(2.62)	-	(66.63)
Measurement of liabilities at amortised cost	(0.74)	0.82	-	0.08
Rent equalisation reserve	7.79	0.09	-	7.88
Measurement of assets at amortised cost	0.77	26.64	-	27.41
<b>Net tax assets/(liabilities)</b>	<b>2,242.38</b>	<b>322.67</b>	-	<b>2,565.05</b>

## 8. Other Non Current Assets

(Amount in lacs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Capital advances	7.21	197.90	84.08
Amount recoverable from related party*	213.72	-	-
<b>Deposits under disputes</b>			
Income tax	454.12	-	200.00
Sales tax	-	40.23	40.23
Custom	167.89	167.89	167.89
Others	22.34	-	-
Excess of fund value over gratuity liability	3.06	-	-
<b>Balance with statutory/government authorities</b>			
Advance tax and tax deducted at source	150.53	580.83	264.75
<b>Total</b>	<b>1,018.87</b>	<b>986.85</b>	<b>756.95</b>

Note:

\* The Company holds around 55% shares in Modistone Ltd (MSL) which is under liquidation and was having working capital facilities from various banks. In 1996, the Company had also given a cash loan and material loan of Rs. 2524.00 lacs to MSL against mortgage of 2 flats in posh localities of Mumbai by way of deposit of title deeds. In 1996-97, at the time of renewal of working capital facility of MSL, consortium banks had asked for personal guarantee from Mr VK Modi & Dr. BK Modi (not holding any shares in MSL), who were then were the nominee directors of the Company on the board of MSL. MSL had also given them the counter guarantee. Board of Industrial and Financial Reconstruction recommended under section 20 of Sick Industrial Companies Act, 1985 to Bombay High Court for winding up of MSL. Consortium banks have filed recovery suits against guarantors and obtained decree from Debt Recovery Tribunal. Board of Directors of the Company in their board meeting dated 17th August 2017 decided to indemnify director of the Company (Mr. VK Modi) and also to do settlements with other banks on similar terms. The Company settled the liability of State Bank of Bikaner & Jaipur of Rs. 1320.00 lacs & State Bank of Indore of Rs. 536.04 lacs for Rs. 141.11 lacs & Rs. 72.61 lacs respectively which are recoverable from MSL in due course.

**9. Inventories****(Amount in lacs)**

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
<b>(As taken, valued and certified by the management)</b>			
Stores, Spare Parts and Loose Tools (Scrap)	75.42	75.42	75.42
<b>Total</b>	<b>75.42</b>	<b>75.42</b>	<b>75.42</b>

**10. Current Financial Investments****(Amount in lacs)**

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Investment in Mutual Funds -Fully Paid up</b>			
<b>Quoted ( at fair value ) (refer footnote i)</b>			
Nil (March 31, 2017: 5,188,579; April 1, 2016: 5,188,579)	-	1,175.56	1,071.49
Reliance R.S. Fund -Debt RG of Rs.10/-each			
Nil (March 31, 2017: 4,920; April 1, 2016: Nil) SBI Premier	-	125.25	-
Liquid Fund-Regular plan -Growth of Rs. 10 each			
Nil (March 31, 2017:1,609,776; April 1, 2016: 2,291,833)	-	496.08	648.09
Reliance Short term fund Money Manager Fund of Rs.10/-each			
602.958 units (March 31, 2017:Nil; April 1, 2016: Nil)	10.43	-	-
HSBC Cash Fund - Growth			
991331 units (March 31, 2017:Nil; April 1, 2016: Nil)	2,540.14	-	-
ICICI Prudential Liquid Plan- Growth			
Nil (March 31, 2017:Nil; April 1, 2016: 35,360)	-	-	1,077.53
Franklin India Short Term -IP-RP-Growth of Rs.10/-each			
<b>Total</b>	<b>2,550.57</b>	<b>1,796.89</b>	<b>2,797.11</b>

There are no significant restrictions on the right of ownership, realisability of investments or the remittance of income or proceeds of disposal.

**11. Trade Receivables \*****(Amount in lacs)**

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Unsecured and considered good unless otherwise specified</b>			
a) Debts outstanding for a period exceeding six months			
(i) Unsecured considered good	67.11	205.09	167.90
(ii) Unsecured considered doubtful	310.28	81.50	2.43
	377.39	286.59	170.33
Less : Provision for doubtful debts	(310.28)	(81.50)	(2.43)
	67.11	205.09	167.90
b) Others			
(i) Unsecured considered good	43.40	84.05	83.01
(ii) Unsecured considered doubtful	12.99	7.21	0.07
	56.39	91.26	83.08
Less : Provision for doubtful debts	(12.99)	(7.21)	(0.07)
	43.40	84.05	83.01
<b>Total</b>	<b>110.51</b>	<b>289.14</b>	<b>250.91</b>

\*Includes amount due from related parties (Refer note 39)



- (i) Due from a Private Company in which one of the director of the Company, is a director- Maple Bear Education Pvt Ltd: Rs 4.26 lacs
- (iii) For explanation on the company credit risk management process refer note 35.1
- (iv) For long outstanding trade receivables refer credit risk management process note 35.1

## 12. Cash and Cash Equivalents

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
Cash on hand	3.39	3.16	1.54
Balances with banks			
Current accounts	706.72	103.79	155.44
Deposit with original maturity of less than three months	500.00	-	-
<b>Total</b>	<b>1,210.11</b>	<b>106.95</b>	<b>156.98</b>

For explanation on the company credit risk management process refer note 35.1

## 13. Current Loans

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Loans</b>			
<b>Unsecured, considered good</b>			
Loans and advances to Related Party *	2.26	2.26	2.26
Staff Advances			
(i) Unsecured considered good	37.22	33.70	13.07
(ii) Unsecured considered doubtful	7.46	7.46	7.46
	44.68	41.16	20.53
Less : Provision for doubtful advances	(7.46)	(7.46)	(7.46)
	37.22	33.70	13.07
<b>Total</b>	<b>39.48</b>	<b>35.96</b>	<b>15.33</b>

\* Includes amount due from Associate:

Vinura Beverages Pvt Ltd. (Refer note 39)

- (i) For explanation on the company credit risk management process refer note 35.1
- (ii) For long outstanding receivables refer credit risk management process note 35.1

## 14. Other Current Financial Assets

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Unsecured, considered good</b>			
Interest accrued on fixed deposits	-	64.57	69.17
Interest accrued on Govt. Securities	0.54	0.54	0.96
Advances & other recoverable	35.88	31.24	153.81
<b>Total</b>	<b>36.42</b>	<b>96.35</b>	<b>223.94</b>

For explanation on the company credit risk management process refer note 35.1

**15. Current Tax Assets (Net)****(Amount in lacs)**

<b>Particulars</b>	<b>As At March 31, 2018</b>	<b>As At March 31, 2017</b>	<b>As At April 1, 2016</b>
Current tax (net of provision for tax amounting to Rs Nil (March 31, 2017: Rs Nil, April 1, 2016: Rs Nil))	83.80	84.81	83.80
<b>Total</b>	<b>83.80</b>	<b>84.81</b>	<b>83.80</b>

**16. Other Current Assets****(Amount in lacs)**

<b>Particulars</b>	<b>As At March 31, 2018</b>	<b>As At March 31, 2017</b>	<b>As At April 1, 2016</b>
Other claims recoverable	141.71	135.10	125.56
Advances to contractors & suppliers	24.70	51.52	52.67
Prepaid expenses	12.12	16.85	12.98
<b>Balances with Statutory/ Government authorities</b>			
Cenvat credit receivable	-	0.63	0.55
<b>Total</b>	<b>178.53</b>	<b>204.10</b>	<b>191.76</b>

**17. Share capital****(Amount in lacs)**

<b>Particulars</b>	<b>As At March 31, 2018</b>	<b>As At March 31, 2017</b>	<b>As At April 1, 2016</b>
<b>Equity share capital</b>			
The Company has two class of shares i.e. Equity Shares having a par value of Rs.10 per share and Preference shares having a par value of Rs.100 per share.			
<b>Authorised shares</b>			
50,000,000 Equity shares of par value Rs.10 each (50,000,000 Equity shares as at March 31, 2017 and April 1, 2016)	5,000.00	5,000.00	5,000.00
200,000 11% Redeemable Cumulative Preference shares of par value Rs. 100 each (200,000 Preference shares as at March 31, 2017 and April 1, 2016)	200.00	200.00	200.00
	<b>5,200.00</b>	<b>5,200.00</b>	<b>5,200.00</b>
<b>Issued, subscribed and fully paid up shares</b>			
25,040,532 Equity shares of par value Rs.10 each (25,040,532 shares as at March 31, 2017 and April 1, 2016)	2,504.05	2,504.05	2,504.05
	<b>2,504.05</b>	<b>2,504.05</b>	<b>2,504.05</b>

**a) Movements in equity share capital:**

During the period, the Company has neither issued nor bought back any shares.

**b) Terms and rights attached to equity shares:***Voting*



Each holder of equity share is entitled to one vote per share held.

*Dividends*

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed.

*Liquidation*

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

- c) During the last five financial years, no class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back.
- d) Shares held by the shareholders holding more than 5% shares in the Company.

Name of the share holders	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	%age holding	No. of shares	%age holding	No. of shares	%age holding
<b>Equity share of Rs. 10 each, fully paid</b>						
Mod Fashions and Securities Private Limited	12,010,267	47.96%	12,010,267	47.96%	12,010,267	47.96%
Witta International Inc	2,554,078	10.20%	2,554,078	10.20%	2,554,078	10.20%
Kinborough Limited	5,739,451	22.92%	5,739,451	22.92%	5,739,451	22.92%

## 18. Other Equity

(Amount in lacs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Capital reserve	19.26	19.26	19.26
Security premium reserve	5,782.32	5,782.32	5,782.32
Retained earnings	7,413.83	7,677.24	7,159.05
<b>Total</b>	<b>13,215.41</b>	<b>13,478.82</b>	<b>12,960.63</b>
<b>Retained earnings</b>			
Opening balance	7,677.24	7,159.05	
Add: Profit after tax for the year as per Statement of Profit and Loss	(284.08)	692.93	
	<b>7,393.16</b>	<b>7,851.98</b>	
Items of other comprehensive income recognised directly in retained earnings:			
- Fair valuation impact on quoted equity investment, net of tax	12.16	(174.74)	
- Remeasurements of post-employment benefit obligation, net of tax	8.51	-	
<b>Closing balance (a+b)</b>	<b>7,413.83</b>	<b>7,677.24</b>	

For reconciliation of other equity as at April 1, 2016 refer statement of changes in equity.

**19. Non Current Borrowings****(Amount in lacs)**

<b>Particulars</b>	<b>As At March 31, 2018</b>	<b>As At March 31, 2017</b>	<b>As At April 1, 2016</b>
Borrowings			
Term loans from others- secured (refer footnote (a))	71.73	106.12	38.59
Inter corporate deposits- unsecured (refer footnote (b))	250.00	250.00	250.00
<b>Total</b>	<b>321.73</b>	<b>356.12</b>	<b>288.59</b>

Includes:

(a) Secured by hypothecation of vehicles:

- i) Term Loan of Rs. 25.82 Lacs (March 31, 2017: Rs. 38.62 Lacs, April 1, 2016: Rs 50.11 lacs) repayable in equated monthly instalment of Rs.1,34 lacs each (including interest). Final instalment due in December 2019.
- ii) Term Loan of Rs. 80.31 Lacs (March 31, 2017: Rs 98.23 lacs, April 1, 2016: Nil) repayable in equated monthly instalment of Rs 2.39 lacs each (including interest). Final instalment due in August 2021.

(b) Rs. 250 lacs (March 31, 2017: Rs. 250 lacs, April 1, 2016: 250 lacs) payable @ 50% of Rs.500 lacs to M/s Morgan Securities &amp; Credit Pvt.Ltd.as per BIFR SS-08

**20. Other Non Current Financial Liabilities****(Amount in lacs)**

<b>Particulars</b>	<b>As At March 31, 2018</b>	<b>As At March 31, 2017</b>	<b>As At April 1, 2016</b>
Security deposits received from customers*	55.37	34.28	31.62
<b>Total</b>	<b>55.37</b>	<b>34.28</b>	<b>31.62</b>

\*Deposits received from customers are payable on successful completion of terms and conditions attached to deposits.

**21. Non Current Provisions****(Amount in lacs)**

<b>Particulars</b>	<b>As At March 31, 2018</b>	<b>As At March 31, 2017</b>	<b>As At April 1, 2016</b>
Provision for employee benefits			
Gratuity	-	-	12.43
<b>Total</b>	<b>-</b>	<b>-</b>	<b>12.43</b>

**22. Other Non-Current Liabilities****(Amount in lacs)**

<b>Particulars</b>	<b>As At March 31, 2018</b>	<b>As At March 31, 2017</b>	<b>As At April 1, 2016</b>
Other payables:			
Sales tax payable for West Bengal	-	3.05	13.87
Deferred rent	9.82	5.15	7.75
Rent equalisation reserve	25.78	25.49	25.20
<b>Total</b>	<b>35.60</b>	<b>33.69</b>	<b>46.82</b>



## 23. Trade Payables

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
<b>For goods and services</b>			
Dues to micro, small and medium enterprises (refer footnote ii)	-	-	-
Dues to others	271.62	447.33	447.33
	<u>271.62</u>	<u>447.33</u>	<u>447.33</u>

- (i) The Company's exposure to liquidity risk related to trade payables is disclosed in note 35.1
- (ii) The Company has requested all its vendors to confirm their status under Micro, Small and Medium Enterprises Development Act, 2006 ('Act'). Based on the confirmations received, there are no amounts due to any micro or small enterprise under the MSMED Act, 2006. Further, the Company's liability towards any interest for delayed payments, if any under the provisions of the Act is not likely to be material.
- (iii) Trade payables are non interest bearing and are normally settled in normal trade cycle.
- (iv) "Due to others" include Rs. 136.62 lacs (March 31, 2017: Rs. 136.62 lacs; April 1, 2016: Rs. 136.62 lacs) i.e 20% of Rs. 683.10 lacs as per settlement terms defined in BIFR SS08 towards lease rent payable to M/s Modi Exports Processors Ltd.(MEPL) for the period January, 2002 to September, 2007. Further no liability towards lease rent has been provided after September, 2007 since the premises are sealed by the Official Liquidator of MEPL.
- (v) "Due to others" include Rs 135 lacs (March 31, 2017: Rs 310.71; April 1, 2016: Rs 310.71) which represents settlement of Continental Carbon India Limited dues for Rs. 380 lacs. The Company has paid Rs 245 lacs till 31st March 2018 and the balance amount will be paid by 31st December 2018 in 9 monthly installments of Rs 15 lacs each.

## 24. Other Current Financial Liabilities

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
Current maturities of long-term Loans	34.40	30.73	11.52
Other payables:			
Employee related payables*	275.26	283.38	287.28
Payable for expenses	392.92	472.14	404.56
<b>Total</b>	<u>702.58</u>	<u>786.25</u>	<u>703.36</u>

\* Include Rs. 268.65 lacs representing unclaimed liability of some workers towards full and final settlement for all their past dues as per BIFR order.

The Company's exposure to liquidity risk related to payables is disclosed in note 35.1

## 25. Other Current Liabilities

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
Other payables			
Escrow account claims adjustable (Refer note 6 c)	637.36	412.13	202.85
Provision for wealth tax	-	-	0.46
Other liabilities (represent statutory liabilities payable to Government authorities)*	2,300.82	2,376.82	2,408.70
Deferred rent	3.53	2.61	2.61
<b>Total</b>	<u>2,941.71</u>	<u>2,791.56</u>	<u>2,614.62</u>

### \*Footnote:

- (a) include Rs. 2,267.74 lacs (March 31, 2017: Rs 2,303.31 lacs; April 1, 2016: Rs 2,303.31 lacs) which represents the sales tax liability of various State Authorities. The Company had made representations to the States Authorities for giving various relief and concessions in line with BIFR sanctioned scheme. In the opinion of the management, sales tax liability would be reduced as soon as representation of the Company will be heard by various States Authorities.

---

**26. Revenue From Operations** (Amount in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Other operating revenues		
Rent income	592.59	515.08
<b>Total</b>	<b>592.59</b>	<b>515.08</b>

---

**27. Other Income** (Amount in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on:		
Bank deposits & other bank balance	124.46	148.78
Interest- others	0.06	-
Interest on tax refund	12.26	50.23
Interest on security deposit at amortised cost	2.85	2.61
Dividend income	1,493.14	1,524.17
	<b>1,632.77</b>	<b>1,725.79</b>
<b>Other non-operating income</b>		
Financial assets measured at fair value	63.98	120.71
Net gain on sale of investment	124.27	95.83
Liabilities written back	121.13	43.23
Miscellaneous income	18.55	0.33
	<b>327.93</b>	<b>260.10</b>
<b>Total</b>	<b>1,960.70</b>	<b>1,985.89</b>

---

**28. Employee Benefits Expense** (Amount in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and other short term employees benefits	409.83	375.02
Contributions to provident and other funds	29.07	20.90
Staff welfare expenses	41.90	55.11
<b>Total</b>	<b>480.80</b>	<b>451.03</b>

---

**29. Finance Costs** (Amount in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on term loan	14.22	11.91
Interest on statutory dues	1.26	1.24
Bank guarantee charges	30.68	31.57
Finance charges on financial liabilities measured at amortised cost	-	0.02
Unwinding of discount on vendor liabilities	3.15	2.65
<b>Total</b>	<b>49.31</b>	<b>47.39</b>



### 30. Other Expenses

(Amount in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Communication expenses	17.59	19.84
Travelling expenses	167.65	192.14
Legal and professional fees	510.74	362.68
Electricity & water	95.67	98.13
Power & fuel	14.23	12.85
Insurance premium	13.23	10.80
Rent expenses (Refer Note 38)	43.82	45.87
Rates and taxes	21.49	24.65
Security charges	108.08	95.89
Guest house expenses	13.07	21.93
Office maintenance	20.18	14.51
Repairs & maintenance		
- Buildings	271.05	212.42
- Others	52.40	34.77
Payment to statutory auditors (excluding Goods and Service tax (Previous year excluding service tax):		
Audit fee	8.43	6.90
Tax audit fee	1.89	-
Other services	1.85	2.10
Reimbursement of expenses	0.59	0.50
Business promotion expenses	14.91	21.96
Donations	22.00	-
Loss on sale of assets	-	0.02
Allowance for bad and doubtful debts	234.56	86.21
Allowance for doubtful advances	19.55	-
Liability paid on settlement (Refer note 23 (v))	69.29	-
Sundry balances written off	68.69	145.58
Miscellaneous expenses	91.81	76.08
<b>Total</b>	<b>1,882.77</b>	<b>1,485.83</b>

### 31. Disclosure as per Ind AS 33 on 'Earnings per Share'

#### Basic and diluted earnings per share

	March 31, 2018	March 31, 2017
Basic and diluted earnings per share (Refer footnote a & b)	(1.13)	2.77
Nominal value per share	10	10
<b>(a) Profit attributable to equity shareholders</b>		
(Loss)/Profit for the year (in lacs)	(284.08)	692.93
Profit attributable to equity shareholders	<b>(284.08)</b>	<b>692.93</b>
<b>(b) Weighted average number of equity shares</b>		
Opening balance of issued equity shares	25,040,532	25,040,532
Effect of shares issued during the year, if any	-	-
<b>Weighted average number of equity shares for Basic and Diluted EPS</b>	<b>25,040,532</b>	<b>25,040,532</b>

At present, the Company does not have any dilutive potential equity shares

---

## 32. First-Time Adoption of Ind AS

The company has prepared its first Financial Statements in accordance with Ind AS for the year ended March 31, 2018. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS Opening Balance Sheet is April 1, 2016 (the date of transition to Ind AS). The adoption of Ind AS has been carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements for the year ended March 31, 2018, be applied retrospectively and consistently for all financial years presented.

The accounting policies set out in Note 1.1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2016 (the Company's date of transition). According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at March 31, 2018, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

However, in preparing these Ind AS financial statements, the company has availed certain exemptions and exceptions in accordance with Ind AS 101. Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 1, 2016 compared with those presented in the Indian GAAP Balance Sheet as of March 31, 2016, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following notes and tables

### A) Exemption and exceptions availed

In the Ind AS Opening Balance Sheet as at April 1, 2016, the carrying amounts of assets and liabilities from the Indian GAAP as at 31 March 2016 are generally recognized and measured according to Ind AS in effect as on March 31, 2018. For certain individual cases, however, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has used the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet:

#### A.1 Ind AS optional exemptions

##### A.1.1 Property, plant and equipment & Intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

#### A.2 Ind AS mandatory exceptions

##### A.2.1 Estimates

The Company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVTPL or FVTOCI;
- Impairment of financial assets based on expected credit loss model.

##### A.2.2 Classification and measurement of financial assets

Ind AS 101 requires the company to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted on amortised cost basis on fact and circumstances existing as at the date of transition, if retrospective application is impracticable.



Accordingly, the Company has determined the classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Measurement of financial assets has been done retrospectively except where the same is impracticable.

### A2.3 Derecognition of financial assets and liabilities

As per Ind AS 101 an entity should apply derecognition requirements in Ind AS 109 prospectively for transaction occurring on or after the date of transition to Ind AS.

### B) Reconciliation of equity as at April 1, 2016 and as at March 31, 2017

(Amount in lacs)

	Note	April 1, 2016			March 31, 2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>							
<b>(1) Non-current assets</b>							
Property, plant and equipment		1,268.16		1,268.16	1,300.27		1,300.27
Capital work-in-progress		497.81		497.81	1,905.25		1,905.25
Other intangible assets		4.38		4.38	2.32		2.32
Financial Assets							
(i) Investments	a	5,437.94	1,116.18	6,554.12	5,423.94	941.44	6,365.38
(ii) Loans		14.61		14.61	14.98		14.98
(iii) Other financial assets		4,475.79		4,475.79	4,602.38		4,602.38
Deferred tax assets(net)	f	2,298.56	(56.18)	2,242.38	2,596.30	(31.25)	2,565.05
Other non-current assets		756.95		756.95	986.85		986.85
<b>Total non-current assets</b>		<b>14,754.20</b>	<b>1,060.00</b>	<b>15,814.20</b>	<b>16,832.29</b>	<b>910.19</b>	<b>17,742.48</b>
<b>(2) Current Assets</b>							
Inventories		75.42		75.42	75.42		75.42
Financial Assets							
(i) Investments	a	2,566.15	230.96	2,797.11	1,522.76	274.13	1,796.89
(ii) Trade receivables	d	253.40	(2.49)	250.91	377.84	(88.70)	289.14
(iii) Cash and cash equivalents		156.98		156.98	106.95		106.95
(v) Loans		15.33		15.33	35.96		35.96
(vi) Other financial assets		223.94		223.94	96.35		96.35
Current tax assets (net)		83.80		83.80	84.81		84.81
Other current assets		191.76		191.76	204.10		204.10
<b>Total current assets</b>		<b>3,566.78</b>	<b>228.47</b>	<b>3,795.25</b>	<b>2,504.19</b>	<b>185.43</b>	<b>2,689.62</b>
<b>Total Assets</b>		<b>18,320.98</b>	<b>1,288.47</b>	<b>19,609.45</b>	<b>19,336.48</b>	<b>1,095.62</b>	<b>20,432.10</b>

(Amount in lacs)

	Note	April 1, 2016			March 31, 2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
<b>EQUITY &amp; LIABILITIES</b>							
<b>Equity</b>							
Equity Share capital		2,504.05	-	2,504.05	2,504.05	-	2,504.05
Other equity	a,b,c, d,e,f	11,694.98	1,265.65	12,960.63	12,406.38	1,072.44	13,478.82
<b>Total equity</b>		<b>14,199.03</b>	<b>1,265.65</b>	<b>15,464.68</b>	<b>14,910.43</b>	<b>1,072.44</b>	<b>15,982.87</b>
<b>Liabilities</b>							
<b>(1) Non-current liabilities</b>							
Financial liabilities							
(i) Borrowings	e	288.61	(0.02)	288.59	356.13	(0.01)	356.12
(ii) Other financial liabilities	b	44.34	(12.72)	31.62	44.33	(10.05)	34.28
Provisions		12.43	-	12.43	-	-	-
Other non-current liabilities		13.86	32.96	46.82	3.05	30.64	33.69
<b>Total non-current liabilities</b>		<b>359.24</b>	<b>20.22</b>	<b>379.46</b>	<b>403.51</b>	<b>20.58</b>	<b>424.09</b>
<b>(2) Current liabilities</b>							
Financial liabilities							
(i) Trade payables		447.33	-	447.33	447.33	-	447.33
(ii) Other financial liabilities	e	703.37	(0.01)	703.36	786.27	(0.02)	786.25
Other current liabilities		2,612.01	2.61	2,614.62	2,788.94	2.62	2,791.56
<b>Total current liabilities</b>		<b>3,762.71</b>	<b>2.60</b>	<b>3,765.31</b>	<b>4,022.54</b>	<b>2.60</b>	<b>4,025.14</b>
<b>Total equity and liabilities</b>		<b>18,320.98</b>	<b>1,288.47</b>	<b>19,609.45</b>	<b>19,336.48</b>	<b>1,095.62</b>	<b>20,432.10</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### C) Reconciliation of profit for the year ended March 31, 2017

(Amount in lacs)

	Note	Previous GAAP*	Adjustments	Ind AS
<b>INCOME</b>				
Revenue		515.08	-	515.08
Other income	a	1,940.11	45.78	1,985.89
<b>Total Income</b>		<b>2,455.19</b>	<b>45.78</b>	<b>2,500.97</b>
<b>EXPENDITURE</b>				
Employee benefits expense	c	451.03	-	451.03
Finance expenses	e	44.72	2.67	47.39
Depreciation and amortization		127.71	-	127.71
Other expenses	d	1,399.32	86.51	1,485.83
<b>Total Expenses</b>		<b>2,022.78</b>	<b>89.18</b>	<b>2,111.96</b>



(Amount in lacs)

	Note	Previous GAAP*	Adjustments	Ind AS
<b>Profit before tax</b>		432.41	(43.40)	389.01
Current tax				
Current year		-	-	-
Earlier years		18.75	-	18.75
Deferred tax	f	(297.74)	(24.93)	(322.67)
<b>Total tax expense</b>		(278.99)	(24.93)	(303.92)
<b>Profit for the year</b>		<b>711.40</b>	<b>(18.47)</b>	<b>692.93</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss (net of tax)</b>				
- Investment in equity instruments measured at fair value	a	-	(174.74)	(174.74)
<b>Other comprehensive income for the year, net of income tax</b>		-	(174.74)	(174.74)
<b>Total comprehensive income for the year</b>		<b>711.40</b>	<b>(193.21)</b>	<b>518.19</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**D) Reconciliation of total equity as at March 31, 2017 and April 1, 2016** (Amount in lacs)

	Note	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		12,406.38	11,694.98
<b>Adjustments:</b>			
Investment in equity instruments measured at fair value	a	941.44	1,116.18
Recognition of financial assets at fair value	a	274.13	230.96
Recognition of financial liabilities at amortized cost	e	0.03	0.03
Unwinding of discount on financial liabilities at amortized cost	b	12.66	12.72
Recognition of financial assets at amortized cost	d	(89.00)	(2.49)
Rent equalisation reserve	b	(25.21)	(25.21)
Deferred rent on amortisation of security deposit	b	(10.36)	(10.36)
Deferred tax impact of above adjustments	f	(31.25)	(56.18)
<b>Total adjustments</b>		<b>1,072.44</b>	<b>1,265.65</b>
<b>Total equity as per Ind AS</b>		<b>13,478.82</b>	<b>12,960.63</b>

**E) Reconciliation of total comprehensive income for the year ended March 31, 2017** (Amount in lacs)

	Note	March 31, 2017
Profit after tax as per previous GAAP		711.40
<b>Adjustments:</b>		
Recognition of financial assets at fair value	a	43.17
Recognition of financial liabilities at amortised cost	e	-
Unwinding of discount on financial liabilities at amortised cost	b	(0.06)
Recognition of financial assets at amortised cost	d	(86.51)
Deferred tax impact of above adjustments	f	24.93
<b>Total adjustments</b>		<b>(18.47)</b>
<b>Profit after tax as per Ind AS</b>		<b>692.93</b>
<b>Other comprehensive income (net of tax):</b>		
Investment in equity instruments measured at fair value	a	(174.74)
Actuarial gain on defined benefit plans		-
<b>Total comprehensive income as per Ind AS</b>		<b>518.19</b>

---

**Notes to first-time adoption:****(a) Financial assets**

Under Indian GAAP, investment in equity shares, mutual funds and GOI bonds are recorded at cost.

However, under Ind AS 113, certain assets which meet the definition of financial assets are classified as financial assets at fair value. Therefore, such financial assets have been fair valued as per market data. Gain/loss due to fair valuation of investments on the transition date has been adjusted against the retained earnings. Further, financial income on fair valuation during the year ended March 31, 2017 has been credited to the statement of profit and loss.

The effect of the adjustments resulted in increase in the value of financial assets and increase in retained earnings by Rs. 1,347.14 lacs on transition date. During the year ended March 31, 2017, value of financial assets were decreased by Rs 131.57 lacs by corresponding recording of financial income in the statement of profit and loss.

**(b) Financial liabilities**

Under Indian GAAP, liabilities pertaining to security deposits received from customers are recorded at cost.

However, under Ind AS, liabilities in which the Company has a contractual obligation to deliver cash are classified as financial liabilities and recorded at amortized cost. Therefore, such financial liabilities have been discounted to present value since they do not carry any interest. The upfront benefit on transition date due to the discounting has been adjusted against the retained earnings. Further, interest cost on unwinding of discount has been charged off to the statement of profit or loss.

The effect of the adjustments resulted in reduction of the value of financial liabilities by Rs. 2.36 lacs along with corresponding increase in retained earnings as on the transition date. During the year ended March 31, 2017, value of financial liabilities was increased by Rs. 0.06 lacs by corresponding increase in the statement of profit and loss.

**(c) Employee benefits :**

Both under Indian GAAP and Ind-AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit or loss. However, Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in Other Comprehensive Income.

**(d) Loss allowance on trade receivable**

Under Ind AS, impairment allowance has been determined based on Expected Loss Model (ECL) using the provision matrix as practical expedient. Due to ECL model, the Company has impaired its trade receivable by Rs. 2.49 lacs as on April 1, 2016 which has been adjusted against retained earnings. The net impact of Rs. 86.21 lacs for the year ended March 31, 2017 has been recognised in statement of profit and loss.

**(e) Borrowings**

Under IGAAP, transaction cost incurred in connection with borrowings are amortised upfront and charged to profit and loss for the period. Under Ind AS, transaction cost are included in the initial recognition amount of the financial liability and charged to profit and loss over the tenure of the loan using the effective interest method. Due to this, the Company has decreased its borrowings by Rs 0.03 lacs as on April 1, 2016 which has been adjusted against retained earnings. The corresponding amortization impact of Rs Nil for the year ended March 31, 2017 has been recognised in statement of profit and loss.

**(f) Deferred taxes**

The above changes increased (decreased) the deferred tax liability as follows based on a tax rate of 30.90 per cent and long term and short term capital gain tax rate of Rs 20.6% and 30.9% respectively:

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 "Income Taxes" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.



The above changes increased/(decreased) the deferred tax asset as follows:

(Amount in lacs)

	April 1, 2016	March 31, 2017
Measurement of financial liabilities at amortised cost	(0.74)	0.82
Measurement of investment at fair value	(64.01)	(2.62)
Measurement of assets at amortised cost	0.78	26.64
Rent equalisation reserve	7.79	0.09
	<b>(56.18)</b>	<b>24.93</b>

**(g) Retained earnings :**

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**(h) Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income includes remeasurement of defined benefit plans (net of tax) and gain/loss on Fair Value Through Other Comprehensive Income of equity instruments. Hence, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**(i) Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

**(j)** Leasehold land, building on leasehold land as well as building on freehold land that are neither held to earn rentals nor for capital appreciation do not qualify as investment property.

**33. Disclosure as per Indian Accounting Standard - 12 on 'Income taxes'**

**(a) Income Tax Expense**

**i) Income tax recognised in profit or loss**

(Amount in lacs)

	March 31, 2018	March 31, 2017
<b>Current tax expense</b>		
Current year	84.00	-
Earlier year tax adjustment	(4.31)	18.75
	<u>79.69</u>	<u>18.75</u>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	1,631.42	(322.67)
MAT credit written off	441.92	-
	<u>2,073.34</u>	<u>(322.67)</u>
<b>Total income tax expense</b>	<b><u>2,153.03</u></b>	<b><u>(303.92)</u></b>

**ii) Income tax recognised in other comprehensive income**

(Amount in lacs)

Particulars	March 31, 2018		
	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	11.50	2.99	8.51
- Investment in equity instruments measured at fair value	112.81	100.65	12.16
	<u>124.31</u>	<u>103.64</u>	<u>20.67</u>

Particulars	March 31, 2017		
	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	-	-	-
- Investment in equity instruments measured at fair value	(174.74)	-	-
	<b>(174.74)</b>	-	-

iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	(Amount in lacs)	
	March 31, 2018	March 31, 2017
<b>Profit before tax</b>	1,868.95	389.01
Tax using the Company's domestic tax rate of 30.9% (March 31, 2017 - 30.9%)	577.51	120.20
Tax effect of:		
Disallowance u/s 8D	10.35	-
Dividend on shares exempt u/s 10(34)	(461.38)	-
Interest u/s 10(15) on Central Government Stock-PF Securities	(0.47)	-
Tax rate difference	(42.00)	(120.20)
Earlier year tax adjustment	(4.31)	18.75
<b>At the effective income tax rate of 4.22% (March 31, 2017: 4.82%)</b>	<b>79.69</b>	<b>18.75</b>

## 34. Fair Value Measurements

### (a) Financial instruments by category

All the financial assets and liabilities viz. deposits for utilities, trade receivables, cash and cash equivalents, other bank balances, interest receivable, recoverable from employees, trade payables, employee related liabilities and payable for expenses, are measured at amortised cost.

### (b) Fair value hierarchy

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

Level 1: The fair value of financial instruments that are quoted in active markets are determined on the basis of quoted price for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques based on observable market data.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). Fair value of investment in unquoted equity shares is determined using discounted cash flow technique.

There are no transfers between different fair value hierarchy levels in 2016-17, 2017-18.

(Amount in lacs)

Liabilities which are measured at amortised cost for which fair values are disclosed	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Financial liabilities:</b>				
Security deposits received	Carrying value	48.37	34.87	34.87
Security deposits received	Fair value	32.99	24.96	22.31

The fair values for security deposits received from employees and security deposit for utilities were calculated based on cash flows discounted using a current fixed deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.



(Amount in lacs)

Financial Assets at fair value through profit or loss	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Financial assets:</b>				
Investment in Mutual Funds	Carrying value	2,489.19	1,522.76	2,566.15
Investment in Mutual Funds	Fair value	2,550.57	1,796.89	2,797.11

(Amount in lacs)

Financial Assets at fair value through other comprehensive income	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Financial assets:</b>				
Investment In Equity Instruments	Carrying value	87.80	87.80	87.80
Investment In Equity Instruments	Fair value	1,056.63	1,029.24	1,203.98

### 35.1 Financial Risk Management

In the course of its business, the Company is exposed to a number of financial risks: liquidity risk, credit risk, market risk. This note presents the Company's objectives, policies and processes for managing its financial risk and capital.

#### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

#### Investments

The Company has made investments in tax free long term bonds, deposit with banks, mutual funds etc. Funds are invested in accordance with the Company's established investment policy that includes parameters of safety, liquidity and post tax returns.

#### Trade receivables

The activities of the company primarily include rental income. The invoices raised to customers immediately falls due for payment after the credit period allowed to customers. Refer Note 39 on disclosure on related party transactions with respect to amount outstanding as at reporting date.

Credit risk arising from trade receivables is managed in accordance with the Management control and approval procedure. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc.

#### Other financial assets

Other financial assets include employee loans, security deposits etc. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default. The Company's maximum exposure to credit risk for each of the above categories of financial assets is their carrying values as at the reporting dates.

(i) **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(Amount in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>			
Long term security deposits	14.77	14.98	14.61
Other long term financial assets	4,877.06	4,602.38	4,475.79
Cash and cash equivalents	1,210.11	106.95	156.98
Short term loans & advances	39.48	35.96	15.33
Other short term financial assets	36.42	96.35	223.94
	<b>6,177.84</b>	<b>4,856.62</b>	<b>4,886.65</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>			
Trade receivables	110.51	289.14	250.91
	<b>110.51</b>	<b>289.14</b>	<b>250.91</b>

Based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of any asset as the amount are insignificant.

**Ageing analysis of trade receivables**

The ageing analysis of the trade receivables is as below:

(Amount in Lacs)

Ageing as at March 31, 2018	Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	360-720 days past due	More than 720 days past due	Total
Gross carrying amount	-	46.92	9.47	31.81	27.04	118.12	200.42	<b>433.78</b>

Ageing as at March 31, 2017	Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	360-720 days past due	More than 720 days past due	Total
Gross carrying amount	-	72.10	19.16	35.80	25.99	114.11	110.69	<b>377.85</b>

Ageing as at April 01, 2016	Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	360-720 days past due	More than 720 days past due	Total
Gross carrying amount	-	63.59	19.49	25.01	34.31	93.58	17.43	<b>253.41</b>

**Liquidity risk**

Liquidity risk refers to risk that the Company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled in cash or other financial assets. The Company regularly monitors the rolling forecasts to ensure that sufficient liquidity is maintained on an ongoing basis to meet operational needs. The Company manages the liquidity risk by planning the investments in a manner such that the desired quantum of funds could be made available to meet any of the business requirements within a reasonable period of time. In addition, the Company also maintains flexibility in arranging the funds by maintaining committed credit lines with various banks to meet the obligations.



The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

**March 31, 2018**

**(Amount in Lacs)**

Contractual maturities of financial liabilities	Fair Value	Contractual cash flows		
		Less than one year	Beyond one year	Total
<b>Non-derivative financial liabilities</b>				
Borrowings	356.13	34.40	321.73	356.13
Security deposits received	55.37	-	55.37	55.37
Employee related liabilities	275.26	275.26	-	275.26
Payable for expenses	392.92	392.92	-	392.92
Trade payables	271.62	271.62	-	271.62
	<b>1,351.30</b>	<b>974.20</b>	<b>377.10</b>	<b>1,351.30</b>

**March 31, 2017**

**(Amount in Lacs)**

Contractual maturities of financial liabilities	Fair Value	Contractual cash flows		
		Less than one year	Beyond one year	Total
<b>Non-derivative financial liabilities</b>				
Borrowings	386.85	30.73	356.12	386.85
Security deposits received	34.28	-	34.28	34.28
Employee related liabilities	283.38	283.38	-	283.38
Payable for expenses	472.14	472.14	-	472.14
Trade payables	447.33	447.33	-	447.33
	<b>1,623.98</b>	<b>1,233.58</b>	<b>390.40</b>	<b>1,623.98</b>

**April 1, 2016**

**(Amount in Lacs)**

Contractual maturities of financial liabilities	Fair Value	Contractual cash flows		
		Less than one year	Beyond one year	Total
<b>Non-derivative financial liabilities</b>				
Borrowings	300.11	11.52	288.59	300.11
Security deposits received	31.62	-	31.62	31.62
Employee related liabilities	287.28	287.28	-	287.28
Payable for expenses	404.56	404.56	-	404.56
Trade payables	447.33	447.33	-	447.33
	<b>1,470.90</b>	<b>1,150.69</b>	<b>320.21</b>	<b>1,470.90</b>

#### **Market risk**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

#### **Interest Rate Risk**

Interest rate risk refers to risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates. The Company is not exposed to any significant interest rate risk as its investments are primarily in fixed rate instruments. Also, there are no significant borrowings as at the balance sheet date.

---

### Price Risk

Price risk refers to risk that the fair value of a financial instrument may fluctuate because of the change in the market price. The Company is exposed to the price risk mainly from investment in mutual funds and investment in equity instruments. Investment in mutual funds are made primarily in units of liquid funds and are not exposed to significant price risk.

### Foreign Currency Risk

Foreign currency risk refers to risk that the fair value of future cash flows of an exposure may fluctuate due to change in the foreign exchange rates. The Company is not exposed to foreign currency risk as it is not having any transactions in foreign currency.

## 36. Capital Management

The Company manages its capital to ensure that it will be able to continue as a Going Concern while maximising the return to stakeholders. The Company has minimum dependence on external debts and operates mainly through internal accruals. Capital includes equity share capital and other equity reserves.

The Company determines the amount of capital required on the basis of annual operating plans and other strategic investment plans.

## 37. Corporate Social Responsibility ('CSR')

(i) Gross amount required to be spent by the company during the year Rs Nil (previous year Rs. Nil)

(ii) Amount Spent during the:

	2017-18			2016-17		
	Paid	Paid and yet to be paid	Total	Paid	Paid and yet to be paid	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purpose other than (i) above	-	-	-	-	-	-

## 38. Leases

### Operating Lease

For the year ended March 31, 2018 and year ended March 31, 2017

(i) The Company has taken various residential and office premises under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms.

(ii) The aggregate lease rentals payable are charged as rent in Note 30 -"Rent expenses"

## 39. Related Parties Disclosures in accordance with Indian Accounting Standard (Ind AS) 24 of The Institute of Chartered Accountants of India.

A) Subsidiary Companies	% Holdings
i) Modistone Ltd. (in liquidation) Official Liquidator has taken possession of the Company w.e.f. 25.07.2002- the date of appointment of Official Liquidator by Bombay High Court	55.32
ii) Superior Investment (India) Ltd.	100
iii) Spin Investment (India) Ltd	100
B) Joint Venture	
Gujarat Guardian Ltd.	21.24
Asahi Modi Materials Pvt. Ltd.	49.00
Modi Marco Aldany Pvt Ltd	50.00
C) Associate	
Vinura Beverages Pvt. Ltd. (An Associate of a wholly owned subsidiary)	



**D) Key Management Personnel:**

Mr. Alok Kumar Modi-Managing Director  
Miss Piya Modi-Whole Time Director  
Mr. Sanjeev Kumar Bajpai-Company Secretary  
Mr. Kamal Gupta-Chief Financial Officer (CFO)

**E) Relatives of Key Management Personnel**

Mr. Vinay Kumar Modi (Father of Mr. Alok Kumar Modi)  
Mrs. Chander Bala Modi (Mother of Mr. Alok Kumar Modi)  
Mrs. Archana Singhania (Sister of Mr. Alok Kumar Modi)  
Mrs. Ritika Modi (Wife of Mr. Alok Kumar Modi)

**F) Enterprises in which Key Management Personnel and relatives of Key Management Personnel has significant influence**

Leaf Investment Pvt. Ltd.  
Mod Fashions and Securities Pvt. Ltd  
Uniglobe Mod Travels Pvt. Ltd  
Uniglobe Travel (South Asia) Pvt. Ltd  
Maple Bear Education Pvt. Ltd.

**The following transactions were carried out with related parties in the ordinary course of business during the year:**

**A) Subsidiaries:**

	Amount in Lacs 31.03.2018	Amount in Lacs 31.03.2017
i) Expenses recovered	12.01	12.00
ii) Receivable at the year end	213.72	Nil

**B) Joint Venture:**

i) Expenses recovered	19.91	11.06
ii) Expenses incurred	(36.82)	(17.17)
iii) Income received	120.46	27.44
iv) Dividend received	1,467.40	1,500.75
v) Security deposit received	13.50	-
vi) Receivable/(payable) at the year end	12.47	23.66

**C) Associate:**

i) Income received	Nil	Nil
ii) Expenses incurred on behalf	Nil	Nil
iii) Receivable at the year end	2.26	2.26

**D) Key Management Personnel**

i) Remuneration paid	119.65	128.37
ii) Sitting fee	1.02	1.32

**E) Others**

i) Expenses recovered	33.26	29.57
ii) Expenses incurred	(77.09)	(90.59)
iii) Income received	118.08	66.70
iv) Payable/(receivable) at the year end	209.75	75.83

## 40 Gratuity and other post-employment benefit plans

Contribution for Employees Benefit:

### Defined Contribution Plans

Provident Fund

State Defined Contribution Plans

- Employees Pension Scheme 1995

#### i Provident Fund

The Employees of the company receive defined contribution for Provident Fund benefit. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the company make monthly contributions at specified percentage of the employee's salary to the concerned Provident Fund Authorities. The company has no liability to Fund the shortfall in the interest over the statutory rate declared by the Government.

The Company has recognized the following amounts in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2018

(Amount in Lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Contribution to Provident Fund	19.07	16.79
Contribution to Employee Pension Scheme 1995	2.61	2.46

#### ii Defined benefit plan( Gratuity)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme of Gratuity Fund Trust, administered and managed by the Independent Board of Trustees. The sections of the Company first makes the payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on the respective employee's salary and the tenure of employment and then gets the reimbursement from it. Vesting occurs upon completion of five years of service. The present value of Defined Benefit Obligation is calculated annually by an independent actuary using the projected unit credit method.

(Amount in Lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Funded Status of the Plan</b>		
Present value of unfunded obligations	-	-
Present value of funded obligations	233.22	120.02
Fair value of plan assets	236.28	145.84
<b>Net Liability (Asset)</b>	<b>(3.06)</b>	<b>(25.82)</b>

(Amount in Lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A Statement of Profit and Loss</b>		
Current service cost	1.08	5.13
Past service cost and loss/(gain) on curtailments and settlement	11.90	-
Net interest cost	(1.73)	(3.79)
<b>Total included in 'Employee Benefit Expense'</b>	<b>11.25</b>	<b>1.34</b>
Expenses deducted from the fund	-	-
<b>Total Charge to P&amp;L</b>	<b>11.25</b>	<b>1.34</b>



(Amount in Lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Other Comprehensive Income</b>		
Due to Change in financial assumptions	(28.96)	2.93
Due to Change in demographic assumption	-	-
Due to experience adjustments	148.92	(11.88)
Return on plan assets excluding amounts included in interest income	(108.45)	(7.87)
<b>Amounts recognized in Other Comprehensive Income</b>	<b>11.50</b>	<b>(16.82)</b>

(Amount in Lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>B Reconciliation of Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	120.02	129.32
Current service cost	1.08	5.13
Interest cost	6.12	7.79
Actuarial loss / (gain) due to change in financial assumptions	(28.96)	2.93
Actuarial loss / (gain) due to experience assumptions	148.92	(11.88)
Past Service Cost	11.90	-
Benefits Paid	(25.86)	(13.28)
<b>Closing Defined Benefit Obligation</b>	<b>233.22</b>	<b>120.02</b>

(Amount in Lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>C Reconciliation of Plan Assets</b>		
Opening Value of Plan Assets	145.84	127.24
Expenses deducted from the fund	-	(0.00)
Interest Income	7.85	11.58
Return on plan assets excluding amounts included in interest income	108.45	7.87
Contributions by employer	-	12.43
Benefits paid	(25.86)	(13.28)
<b>Closing Value of Plan Assets</b>	<b>236.28</b>	<b>145.84</b>

(Amount in Lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>D Principle Actuarial Assumptions</b>		
Discount Rate	7.10%	6.55%
Salary Growth Rate	7.00%	5.25%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Rate of return on Plan Assets	-	-

(Amount in Lacs)

Particulars	Cashflows	Distribution (%)
<b>E Expected cash flows based on past service liability</b>		
The following payments are maturity profile of Defined Benefit Obligation:		
2019	83.26	52.10%
2020	20.81	13.10%
2021	7.46	4.70%
2022	13.63	8.50%
2023	10.23	6.40%
2024-2028	13.21	8.30%

(Amount in Lacs)

Particulars	Amount of DBO	Change in DBO (%)
<b>F Sensitivity to key assumptions</b>		
<b>Discount rate varied by 0.5%</b>		
0.50%	262.90	12.73%
-0.50%	265.34	13.77%
<b>Salary growth rate varied by 0.5%</b>		
0.50%	265.49	13.84%
-0.50%	263.10	12.81%
<b>Withdrawal rate varied by 0.5%</b>		
W.R * 110%	264.18	13.28%
W.R * 90%	264.00	13.20%

**A description of methods used for sensitivity analysis and Limitations:**

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

(Amount in Lacs)

41 Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Expenditure in foreign currency:-</b>		
Travelling Expenses	49.4	84.16

(Amount in Lacs)

42 Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Contingent Liabilities</b>		
Guarantees/Bonds (unconfirmed)	1,656.25	1,886.25
Excise /Customs /DGFT matters	1,020.86	1,092.14
Unsecured creditors	1,873.16	3,608.80
Workers and employees	1,483.26	1,244.61
Income tax act	1,827.50	1,743.54
Others	1,637.50	1,637.50
<b>TOTAL</b>	<b>9,498.53</b>	<b>11,212.84</b>

**Note 1** - In view of large number of cases, it is not practicable to disclose individual details. Above amounts are affected by numerous uncertainties and timing of economic benefit outflow will depend upon timing of decision of these cases.

**Note 2** - On the basis of current status of individual case and as per legal advise obtained by the Company, wherever applicable. The Company is confident of winning the above cases and is of the view that no further provision required in respect of these cases.



- 43 Post sanction of Rehabilitation Scheme under the provisions of SICA by BIFR on 21.04.2008, the Company had given full effect of the scheme from cut off date in the books of accounts assuming that the relief and concessions as given to the company in the scheme would be accepted by all the concerned parties/creditors.
- 44 BIFR vide its order dated 23.02.2010 discharged the company from the purview of SICA/ BIFR upon turning net worth positive as at 31.03.2009, with the direction that the unimplemented portion of rehabilitation scheme (SS08) for the unexpired period of the Scheme would be implemented by the concerned agencies and their implementation would be monitored by the company. Some of the authorities/parties have not accepted terms of settlement and relief & concessions as provided in SS08. The Company has filed a status report on the unimplemented portion of the Rehabilitation Scheme as at September 30th, 2016 with BIFR on 20/10/2016. Further Government of India (GOI) vide its Gazette notification dated 25/11/2016 repealed SICA w.e.f 01/12/2016 by passing the Sick Industrial Companies (Special provisions) Repeal Act, 2003. All proceedings pending in BIFR/ AAFR would now stand abated and a time period of 180 days have been given to all applicants to approach National Company Law Tribunal (NCLT) and to get appropriate relief under Insolvency and Bankruptcy Code, 2016. Further all schemes sanctioned by BIFR are saved and would continue to be enforceable by NCLT.
- 45 Land & Building at Modi Tyre Factory (MTF), Modinagar is on perpetual lease taken from Modi Export Processors Ltd. (MEPL) which has been liquidated by the order of Hon'ble Allahabad High Court. Pursuant to Allahabad High Court Order possession of the MTF is with the Official Liquidator of MEPL. Company has taken appropriate legal recourse for getting possession back of MTF from Official Liquidator for carrying out industrial activities in terms of BIFR Order dated 21.04.2008. After possession, Company shall take necessary steps as required
- 46 Expenses and claims relating to previous year adjusted in respective accounts not separately shown are Rs. Nil Lacs [previous year Rs. 4.64 Lacs].
- 47 The Company's operations comprise only one segment i.e. Automobile Tyres, Tubes & Flaps and therefore there is no other business / geographical segments to be reported as required under Accounting Standard (AS-17) of the The Institute of Chartered Accountants of India.
- 48 During the previous year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

**(Amount in Lacs)**

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	4.64	1.24	5.88
+ Permitted receipts (withdrawal from banks)	-	7.16	7.16
- Permitted payments	0.41	3.92	4.33
- Amount deposited in banks	4.23	-	4.23
Closing cash in hand as on December 30, 2016	-	4.48	4.48

- 49 Exceptional items consist of Rs 2,050.30 lacs being profit on sale of 3,137,000 equity shares held in Xerox India Limited sold @ Rs 80 per equity share pursuant to Share Purchase Agreement with Xerox Investments Europe B.V. dated 24 July 2017.
- 50 Previous year figures have been regrouped/ reclassified wherever necessary, to conform to this year's classification

The accompanying notes 1 to 50 form an integral part of these financial statements.

	As per our Report Attached For Suresh Surana & Associates LLP (Firm Registration No. 121750W/W-100010) Chartered Accountants	Alok Modi (DIN: 00174374) Managing Director	S.K. Bajpai (ACS: 10110) Head-Legal & Company Secretary
Place : New Delhi	Rahul Singhal Partner	Amrit Kapur (DIN: 00508710) K.S. Bains (DIN: 01444259) Arvind Nath Seth (DIN: 00464893)	Kamal Gupta Chief Financial Officer
Date : 29 <sup>th</sup> May, 2018	(M.No. 096570)	Piya Modi (DIN: 03623417) Directors	

---

# INDEPENDENT AUDITOR'S REPORT

---

**To the Members of  
Modi Rubber Limited**

## **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Modi Rubber Limited (hereinafter referred to as "the Holding Company"), its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures and associate comprising of the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for preparation of these consolidated Ind-AS financial statements in terms of the requirement of Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including Other Comprehensive Income), consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures and associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

The respective Board of Directors of the Companies included in the Group and of its joint ventures and associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group including its joint ventures and associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about

the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of joint ventures and associate, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures and associate as at 31 March 2018 and their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## **Other Matters**

- a) The consolidated financial statements also include the Group's share of net profit of Rs. 3,023.39 lacs including other comprehensive income for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of 2 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint ventures, is based solely on the reports of the other auditors.
- b) The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 86.88 lacs including other comprehensive income for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of 1 joint venture. These financial statements and other financial information are unaudited and has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial statements and other financial information. In our opinion and according to the information and explanations given



to us by the Management, these financial statements and other financial information are material to the Group.

- c) The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 1.08 lacs including other comprehensive income for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of 1 associate. These financial statements and other financial information are unaudited and has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements and other financial information. Further, these financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) as notified under Companies (Accounting Standards) Rules, 2006. However, as per Management there will be no material differences in financial statements, if the same will be converted from Indian GAAP to Ind AS. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.
- d) The comparative financial information for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 in respect of 2 joint ventures included in these consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.
- e) The financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were not audited by us. The adjustments made to those financial statements for the differences in accounting principles adopted by the Company on transition to comply with the Ind AS have been audited by us.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the management of the Parent.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and other financial information of subsidiaries and joint ventures and associate, as noted in the 'other matters' paragraph, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, joint ventures and associate incorporated in India, none of the directors of the Group's companies and its joint ventures and associate incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, joint venture and associate incorporated in India and operating effectiveness of such controls, referred to in our separate Report in "Annexure A";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the joint ventures and associate as noted in the 'Other matters' paragraph:
- The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures and associate. (Refer Note 43 and 53 to the consolidated Ind AS financial statements).
  - The Group, its joint ventures and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018.
  - There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, its joint venture and its and associate incorporated in India during the year ended 31 March 2018.

For **Suresh Surana & Associates LLP**  
Chartered Accountants  
Firm's Reg. No. 121750W/W-100010

Place : New Delhi  
Dated : 13 August 2018

**Rahul Singhal**  
Partner  
Membership No.: 096570

---

**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT  
(Referred to in paragraph 1(g) under the heading 'Report on Other  
Legal and Regulatory Requirements' of our report of even date on  
the Consolidated Ind AS Financial Statements of Modi Rubber  
Limited)**

**Report on the Internal Financial Controls under Clause (i) of Sub-  
section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Modi Rubber Limited ("the Holding Company"), its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), its joint ventures and its associate, which are the companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies, its joint ventures and its associate which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Holding 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matter paragraph below, is sufficient and

appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Holding Company, its subsidiary companies, its joint ventures and its associate which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to 2 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India, and in so far as it relates to 1 joint venture and 1 associates, which are companies incorporated in India, and whose financial statements are unaudited, is based on written representation from the management of such companies.

**For Suresh Surana & Associates LLP**  
Chartered Accountants  
Firm's Reg. No. 121750W/W-100010

Place : New Delhi  
Dated : 13 August 2018

**Rahul Singhal**  
Partner  
Membership No.: 096570



# BALANCE SHEET (CONSOLIDATED)

## AS AT 31ST MARCH, 2018

PARTICULARS	Note No.	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
<b>I ASSETS</b>		Rs. Lacs	Rs. Lacs	Rs. Lacs
<b>Non-current assets</b>				
Property, plant and equipment	2	3,228.22	1,300.27	1,284.71
Capital work-in-progress	3	-	1,905.25	497.81
Other Intangible assets	2	2.27	2.32	4.38
Investment in joint ventures and associate	53	21,305.88	19,758.69	18,597.95
<b>Financial Assets</b>				
Investments	4	5,021.57	5,520.71	4,923.43
Loans	5	14.77	14.98	14.61
Other financial assets	6	4,877.06	4,802.38	4,475.79
Deferred tax assets(net)	7	732.08	3,000.46	2,746.65
Other non-current assets	8	1,020.07	988.96	798.96
<b>Total non-current assets</b>		<b>36,201.92</b>	<b>37,294.02</b>	<b>33,344.29</b>
<b>Current Assets</b>				
Inventories	9	75.42	75.42	75.42
<b>Financial Assets</b>				
Investments	10	4,836.87	3,828.77	4,545.24
Trade receivables	11	110.51	289.14	250.91
Cash and cash equivalents	12	1,229.45	118.34	390.85
Bank balances other than (iii) above	12A	200.00	-	200.00
Loans	13	1,971.13	1,760.15	1,464.59
Other financial assets	14	48.61	309.08	378.09
Current tax assets (net)	15	86.95	58.50	83.80
Other current assets	16	178.53	204.10	191.76
<b>Total current assets</b>		<b>8,737.47</b>	<b>6,643.50</b>	<b>7,580.66</b>
<b>Total Assets</b>		<b>44,939.39</b>	<b>43,937.52</b>	<b>40,924.95</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	17	2,504.05	2,504.05	2,504.05
Other equity	18	38,103.72	36,982.81	34,273.14
<b>Total equity</b>		<b>40,607.77</b>	<b>39,486.86</b>	<b>36,777.19</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	19	321.73	356.12	288.59
Other financial liabilities	20	55.37	34.28	31.62
Provisions	21	-	-	12.43
Other non-current liabilities	22	35.60	33.69	46.82
<b>Total non-current liabilities</b>		<b>412.70</b>	<b>424.09</b>	<b>379.46</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	23	271.62	448.46	447.33
Other financial liabilities	24	705.41	786.51	706.35
Other current liabilities	25	2,941.89	2,791.60	2,614.62
<b>Total current liabilities</b>		<b>3,918.92</b>	<b>4,026.57</b>	<b>3,768.30</b>
<b>Total Equity and Liabilities</b>		<b>44,939.39</b>	<b>43,937.52</b>	<b>40,924.95</b>

The accompanying notes 1 to 53 form an integral part of these financial statements.

	As per our Report Attached For Suresh Surana & Associates LLP (Firm Registration No. 121750W/W-100010) Chartered Accountants	Alok Modi (DIN: 00174374) Managing Director	S.K. Bajpai (ACS: 10110) Head-Legal & Company Secretary
Place : New Delhi	Rahul Singhal Partner	Amrit Kapur (DIN: 00508710) K.S. Bains (DIN: 01444259) Arvind Nath Seth (DIN: 00464893) Piya Modi (DIN: 03623417) Directors	Kamal Gupta Chief Financial Officer
Date : 13 <sup>th</sup> August, 2018	(M.No. 096570)		

# STATEMENT OF PROFIT & LOSS (CONSOLIDATED)

## FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>(Amount in lacs)</b>			
<b>Revenue</b>			
Revenue from operations	26	592.59	515.08
Other income	27	888.63	947.89
<b>Total revenue</b>		1,481.22	1,462.97
<b>Expenses</b>			
Employee benefits expense	28	492.80	463.03
Finance costs	29	51.24	47.39
Depreciation and amortization expense	2	321.76	131.97
Other expenses	30	2,112.35	1,489.35
<b>Total expenses</b>		2,978.15	2,131.74
<b>Profit/(loss) before share of (profit)/loss of joint ventures and associates, exceptional items and tax</b>		(1,496.93)	(668.77)
Share of profit/(loss) of joint ventures and associate	53	3,107.89	3,008.13
<b>Profit before tax and exceptional items</b>		1,610.96	2,339.36
<b>Exceptional items</b>			
Profit on disposal of investment (Refer note 51)		2,116.80	-
<b>Profit/ (loss) before tax</b>		3,727.76	2,339.36
<b>Tax expense</b>			
Current tax			
Current year		164.00	127.03
Earlier years		(55.50)	21.20
Deferred tax		1,663.36	(198.05)
MAT credit written off		420.30	(55.76)
<b>Total tax expense</b>		2,192.16	(105.58)
<b>Profit for the year</b>		1,535.60	2,444.94
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of post employment benefit obligations		11.50	-
- Income tax related to above items		(2.99)	-
- Investment in equity instruments measured at fair value		53.80	611.37
- Income tax related to above item		(181.73)	-
- Share of other comprehensive income of joint ventures and associate		3.46	(41.12)
<b>Other comprehensive income for the year (net of income tax)</b>		(115.96)	570.25
<b>Total comprehensive income for the year</b>		1,419.64	3,015.19
Earnings per equity share	31		
(nominal value of Rs 10 per share)			
Basic & Diluted (Rs)		6.13	9.76

The accompanying notes 1 to 53 form an integral part of these financial statements.

<p>As per our Report Attached For Suresh Surana &amp; Associates LLP (Firm Registration No. 121750W/W-100010) Chartered Accountants</p> <p>Rahul Singhal Partner (M.No. 096570)</p>	<p>Alok Modi (DIN: 00174374) Managing Director</p> <p>Amrit Kapur (DIN: 00508710) K.S. Bains (DIN: 01444259) Arvind Nath Seth (DIN: 00464893) Piya Modi (DIN: 03623417) Directors</p>	<p>S.K. Bajpai (ACS: 10110) Head-Legal &amp; Company Secretary</p> <p>Kamal Gupta Chief Financial Officer</p>
<p>Place : New Delhi Date : 13<sup>th</sup> August, 2018</p>		



# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(Amount Rs in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A Cash flows from operating activities</b>		
<b>Profit before tax</b>	3,727.76	2,339.36
Adjustments for:		
Depreciation and amortization	321.76	131.97
Provision of doubtful debts and advances	477.87	86.21
(Profit)/ loss on sale of property, plant and equipment	-	(0.20)
(Profit)/ loss on sale of investment	(2,258.88)	(246.34)
Financial assets measured at fair value	(199.00)	(172.12)
Interest on security deposit at amortised cost	(2.85)	(2.61)
Interest paid	17.41	13.15
Liabilities written back	(123.61)	(43.23)
Interest income	(349.81)	(435.07)
Dividend received	(52.47)	(47.97)
Sundry balances written off	70.70	-
Net share of loss in joint ventures and associate	(1,842.46)	(1,466.26)
Finance charges on financial liabilities measured at amortised cost	-	0.02
Unwinding of discount on financial assets at amortized cost	3.15	2.65
<b>Operating Profit before working capital changes</b>	<b>(210.43)</b>	<b>159.56</b>
Adjustments for :		
Increase/(decrease) in trade payables	(176.84)	1.13
Increase/(decrease) in provisions	-	(12.43)
Increase/(decrease) in other non-current financial liabilities	20.79	2.60
Increase/(decrease) in other non-current liabilities	1.91	(13.13)
Increase/(decrease) in other current financial liabilities	38.84	104.21
Increase/(decrease) in other current liabilities	150.29	176.98
Decrease/(increase) in loans and advances	(434.53)	(295.92)
Decrease/(increase) in other non-current assets	(641.51)	200.00
Decrease/(increase) in trade receivables	(75.48)	(124.44)
Decrease/(increase) in other non-current financial assets	(250.72)	92.02
Decrease/(increase) in other current financial assets	(4.64)	122.57
Decrease/(increase) in other current assets	(45.13)	(12.34)
<b>Net cash generated from operations</b>	<b>(1,627.45)</b>	<b>400.81</b>
Less: Taxes paid, net of refund	294.26	(399.11)
<b>Net cash from operating activities (A)</b>	<b>(1,333.19)</b>	<b>1.70</b>
<b>B Cash flows from investing activities</b>		
Dividend received	52.47	47.97
Interest received	590.96	162.90
Purchase of property, plant and equipment	(153.72)	(1,679.16)
Proceeds from sale of property, plant and equipment	-	12.62
Net proceeds from sale of long term investments	2,669.74	(27.12)
Net proceeds from sale of short term investments	(667.02)	1,135.02
<b>Net cash from investing activities (B)</b>	<b>2,492.43</b>	<b>(347.77)</b>

---

(Amount Rs in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>C Cash flows from financing activities</b>		
Increase/ (decrease) in borrowings	(30.72)	86.71
Interest paid	(17.41)	(13.15)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(48.13)</b>	<b>73.56</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,111.11</b>	<b>(272.51)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>118.34</b>	<b>390.85</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,229.45</b>	<b>118.34</b>

**Notes:**

- (i) The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Cash Flow Statements.  
(ii) Amounts in brackets represent a cash outflow or a loss.  
(iii) Components of cash and cash equivalents included under cash and bank balances are as under:

**Cash and cash equivalents (note 12)**

Cash in hand	3.39	3.16
Balances with banks		
- In current account	726.06	115.18
- Deposits with original maturity of upto 3 months	500.00	-
<b>Total</b>	<b>1,229.45</b>	<b>118.34</b>

The accompanying notes 1 to 53 form an integral part of these financial statements.

---

As per our Report Attached For Suresh Surana & Associates LLP (Firm Registration No. 121750W/W-100010) Chartered Accountants	Alok Modi (DIN: 00174374) Managing Director	S.K. Bajpai (ACS: 10110) Head-Legal & Company Secretary
Place : New Delhi Date : 13 <sup>th</sup> August, 2018	Rahul Singhal Partner (M.No. 096570)	Amrit Kapur (DIN: 00508710) K.S. Bains (DIN: 01444259) Arvind Nath Seth (DIN: 00464893) Piya Modi (DIN: 03623417) Directors
		Kamal Gupta Chief Financial Officer



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

### A. Equity Share Capital

For the period ended March 31, 2018

(Amount in lacs)

Balance as at April 01, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
2,504.05	-	2,504.05

For the year ended March 31, 2017

(Amount in lacs)

Balance as at April 01, 2016	Changes in equity share capital during the year	Balance as at March 31, 2017
2,504.05	-	2,504.05

### B. Other Equity

For the year ended March 31, 2018

(Amount in lacs)

Particulars	Reserves & Surplus				Items of Other Comprehensive income			Total
	Capital reserve	Security premium reserve	General reserve	Retained earnings	Actuarial gain/(loss)	Share of other comprehensive income of joint ventures and associate	Equity instruments measured at fair value	
Balance as at April 1, 2017	13,782.22	5,782.32	903.16	15,944.86	-	(41.12)	611.37	36,982.81
Profit for the year	-	-	-	1,535.60	-	-	-	1,535.60
Other comprehensive income	-	-	-	-	11.50	3.46	53.80	68.76
Income tax on OCI items	-	-	-	-	(2.99)	-	(181.73)	(184.72)
Group's share in Dividend Distribution Tax on dividend received	-	-	-	(298.73)	-	-	-	(298.73)
<b>Total Comprehensive Income</b>	-	-	-	<b>1,236.87</b>	<b>8.51</b>	<b>3.46</b>	<b>(127.93)</b>	<b>1,120.91</b>
Adjustment during the year	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>13,782.22</b>	<b>5,782.32</b>	<b>903.16</b>	<b>17,181.73</b>	<b>8.51</b>	<b>(37.66)</b>	<b>483.44</b>	<b>38,103.72</b>

For the year ended March 31, 2017

(Amount in lacs)

Particulars	Reserves & Surplus				Equity instruments through Other Comprehensive Income			Total
	Capital reserve	Security premium reserve	General reserve	Retained earnings	Actuarial gain/(loss)	Share of other comprehensive income of joint ventures and associate	Equity instruments measured at fair value	
Balance as at April 1, 2016	19.26	5,782.32	903.16	11,961.89	-	-	-	18,666.63
Ind AS transition adjustments (Refer note 32)	13,762.96	-	-	1,843.55	-	-	-	15,606.51
<b>Restated balance at the beginning of the reporting year</b>	<b>13,782.22</b>	<b>5,782.32</b>	<b>903.16</b>	<b>13,805.44</b>	-	-	-	<b>34,273.14</b>
Profit for the year	-	-	-	2,444.94	-	-	-	2,444.94
Other comprehensive income	-	-	-	-	-	(41.12)	611.37	570.25
Group's share in dividend Distribution Tax on dividend received	-	-	-	(305.52)	-	-	-	(305.52)
<b>Total Comprehensive Income</b>	-	-	-	<b>2,139.42</b>	-	<b>(41.12)</b>	<b>611.37</b>	<b>2,709.67</b>
Adjustment during the year	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>13,782.22</b>	<b>5,782.32</b>	<b>903.16</b>	<b>15,944.86</b>	-	<b>(41.12)</b>	<b>611.37</b>	<b>36,982.81</b>

---

## Significant accounting policies and other notes to consolidated financial statements for the year ended March 31, 2018

### 1. GROUP CORPORATE INFORMATION

Modi Rubber Limited Group consists of Modi Rubber Limited (“the Company”), its two subsidiaries, (the Holding Company and its subsidiaries together referred to as “the Group”), its three joint ventures and its one associate. The Group’s operations comprise manufacturing automobile tyres, tubes & flaps, manufacture and sale of resin coated sand as well as operating salons.

#### 1.1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Preparation of Consolidated Financial Statements.

##### a) Statement of Compliance

The Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015. The financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

Upto the year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance with the requirements of the Standards notified under the Companies (Accounting Standards) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI) as amended from time to time. These are the Group’s first Ind AS consolidated financial statements. The date of transition to Ind AS is April 1, 2016. Details of first-time adoption exemptions availed by the group is given in Note 32. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of consolidated financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014 (“Previous GAAP”) to Ind AS of Shareholders’ equity as at March 31, 2017 and April 1, 2016 and of the comprehensive net income for the year ended March 31, 2017.

##### b) Basis of Preparation and Presentation

The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period and in case of certain items of Income/Expenditure where recovery/payment is uncertain.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### **Basis of consolidation**

##### **Subsidiaries**

The Consolidated Financial Statements of the Group include its subsidiaries namely Superior Investment (India) Limited and Spin Investment (India) Limited incorporated in India in which the Company holds 100% of their respective paid up Share Capital. Subsidiaries are entities controlled by the Company. Control exists when the Company (a) has power over the investee; (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to affect those returns through its power over the investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above. In assessing control, potential voting rights that currently are exercisable are taken into account.

The assets, liabilities, income and expenses of subsidiaries are aggregated and consolidated, line by line. Profit or loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interests.

Inter-company transactions and balances including unrealized profits are eliminated in full on consolidation.

##### **Joint ventures and Associate**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are incorporated in these financial statements using the equity method of accounting as described below.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The



results, assets and liabilities of associate are incorporated in these financial statements using the equity method of accounting as described below.

#### Equity method of accounting

An interest in a joint venture and associate is accounted for using the equity method from the date in which the investee becomes a joint venture/associate and are recognized initially at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of profits or losses and equity movements of equity accounted investees, from the date that joint control/significant influence commences until the date that joint control/significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments in the nature of net investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. When the Group transacts with a joint venture/associate, unrealized profits and losses are eliminated to the extent of the Group's interest in its associate or joint venture.

The Consolidated Financial Statements comprise the financial statements of Modi Rubber Limited and its subsidiaries, joint ventures and associate companies as on 31 March 2018 which are as under:

S. No.	Name of the Subsidiary and Joint Venture	Financial year ended on	Extent of Holding Company's interest as 31 March 2018/ 31 March 2017/ 01 April 2016	Country of incorporation
	<b>Subsidiaries</b>			
i)	Spin Investment (India) Limited	March 31, 2018	100%/100%/100%	India
ii)	Superior Investment (India) Limited	March 31, 2018	100%/100%/100%	India
	<b>Joint Ventures</b>			
iii)	Asahi Modi Materials Private Limited	March 31, 2018	49%/49%/49%	India
iv)	Gujarat Guardian Limited	March 31, 2018	21.24%/21.24%/21.24%	India
v)	Modi Marco Aldany Private Limited *	March 31, 2018	50%	India
	<b>Associate</b>			
vi)	Vinura Beverages Private Limited	March 31, 2018	49.98%/49.98%/49.98%	India

\* Incorporated on 07 December 2016

Consolidation of the Modistone Limited in which the parent company holds 55.32% of its paidup Capital has not been made because Modistone Limited is under liquidation. The Official Liquidator has taken charge of the company w.e.f. 25.7.2002 as per the order of Hon'ble Bombay High Court. Provision for diminution in value of this investment has already been made in earlier years.

#### Functional and Presentation Currency

The financial statements have been prepared and presented in Indian Rupees (₹), which is also the Group's functional currency.

#### Rounding off

All amounts in the financial statement and accompanying notes are presented in Rs Lakhs and have been rounded-off to two decimal places unless stated otherwise.

#### Current and Non-current Classification

The Group has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents.

#### c) Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventories comprises of cost of

purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

- |                                          |                                       |
|------------------------------------------|---------------------------------------|
| i) Raw Materials                         | Lower of cost or net realizable value |
| ii) Goods-in-process                     | Lower of cost or net realizable value |
| iii) Finished Goods                      | Lower of cost or net realizable value |
| iv) Stores, Spares Parts and Loose Tools | At weighted average cost              |
| v) Scrap and Wastage                     | At estimated selling price            |

**d) Property, Plant and equipment**

- i) Items of property, plant & equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost is inclusive of freight, duties, taxes or levies (net of recoverable taxes) and any directly attributable cost of bringing the assets to their working condition for intended use.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Profit or loss on disposal/ scrapping/ write off/ retirement from active use of an item of property, plant and equipment is recognised in the statement of profit and loss.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Leasehold land, building on leasehold land as well as building on freehold land that are neither held to earn rentals nor for capital appreciation do not qualify as investment property.

- ii) Intangible assets acquired separately are measured on initial recognition at cost. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized

**Impairment of Property, Plant and Equipment**

At each balance sheet date, items of property, plant and equipment are reviewed to determine whether there is any indication of impairment. If any impairment indicator exists, estimate of the recoverable amount of the property, plant and equipment is made. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount rate.

Reversal of impairment losses recognised in earlier years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for that asset in earlier years.

**e) Depreciation and Amortization**

- i) Depreciation on Machinery is provided on Straight Line method and other assets on the written down value method over the useful estimated lives of assets as mentioned in Schedule II of the Companies Act, 2013. The estimated useful lives of the assets are as follows:

Assets	Useful Life
Building	30-60 years
Plant & Machinery	15 years
Furniture & Fixtures	10 years
Electrical Installation	10 years
Vehicles	8 years
Office Equipment	5 years
Computers	3 years



- ii) Intangible assets are amortized on a straight line basis over the estimated useful economic life
- iii) Depreciation on Investment property is provided on the written down value method over the useful estimated lives of assets as mentioned in Schedule II of the Companies Act, 2013. Useful lives and residual values of all the fixed assets are reviewed annually.

**f) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

**Sale of goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed on to the buyer, usually on delivery of goods. The Group collects Service Tax, value added taxes (VAT) and Goods & Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue. GST/Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

**Interest**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

**Dividend**

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date.

**Other Incomes are recognized on accrual basis.**

**g) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current Tax**

The tax currently payable is based on taxable profits for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Current and Deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

---

### **Minimum Alternate Tax**

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

#### **h) Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earning per share is the net profit for the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue.

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

#### **i) Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset/s and the arrangement conveys a right to use the asset/s, even if that right is not explicitly specified in an arrangement.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee. All other leases are classified as operating leases.

Payments made under operating leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same is recognised as an expense in line with the contractual term.

#### **j) Foreign Exchange Transactions**

The functional currency of the Group is the Indian rupee. These financial statements are presented in Indian rupees.

In preparing the financial statements, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

#### **k) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

#### **l) Employee Benefits**

##### **Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, expected cost of bonus, ex-gratia, leave travel allowance, medical reimbursement, etc. are recognised in the period in which the employee renders the related services.



**Performance incentives:** The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the services. These benefits include performance incentives.

**Compensated absences:** As per the Group's leave policy, employees have to utilise their leave entitlement during the financial year and cannot carry forward their outstanding leave balance. Consequently, the Group does not make any provision for leave encashment/compensated absences as at the year end

#### **Post employment benefit plans**

**Defined Contribution Plan** - Contributions towards Employees' PF Linked Pension Scheme is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

#### **Defined Benefit Plan**

**Provident Fund:** Contribution towards provident fund are made to Employees' Provident Fund Organisation, India.

**Gratuity:** The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering employees on actual duty. The Group's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognised in the Other Comprehensive Income in the year in which they arise.

### **m) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised in the financial statements.

### **n) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### **o) Financial instruments**

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments.

#### **Initial recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Regular way purchase and sale of financial assets are accounted for at trade date.

#### **Subsequent measurement**

##### **a) Non-derivative financial instruments**

###### **i) Cash and Cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

---

**ii) Financial assets carried at amortised cost**

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

**iii) Equity investments at fair value through other comprehensive income (FVTOCI)**

These include financial assets that are equity instruments and are irrevocably designated as such upon initial recognition. Subsequently, these are measured at fair value and changes therein are recognized directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognized in the Statement of Profit and Loss when the right to receive payment has been established. When the equity investment is derecognized, the cumulative gain or loss in equity is transferred to retained earnings.

**iv) Financial assets at fair value through profit or loss (FVTPL)**

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

**v) Financial liabilities**

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

**b) Share Capital**

**Ordinary Shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognized as a deduction from equity.

**c) Derecognition of financial instruments**

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

**p) Fair value of financial instruments**

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

The fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

**q) Impairment of Financial Assets**

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is



measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

**r) First-time adoption-mandatory exceptions and optional exemptions**

**Overall Principle**

The Group has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required under Ind AS, not recognising items of assets and liabilities which are not permitted under Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

**Deemed cost for property, plant and equipment**

The Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**s) Critical estimates in applying accounting policies**

The preparation of financial statements in conformity with Ind AS requires management to make certain judgements and estimates that may affect the application of accounting policies, reported amounts and related disclosures.

These judgements and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and income and expense items for the period under review. Actual results may differ from these judgments and estimates.

All assumptions, expectations and forecasts that are used as a basis for judgements and estimates in the financial statements represent as accurately an outlook as possible for the group. These judgements and estimates only represent our interpretation as of the dates on which they were prepared. Important judgements and estimates relate largely to provisions, pensions, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

**t) RECENT ACCOUNTING PRONOUNCEMENTS**

**Impact of implementation of Goods and Services Tax (GST) on the financial statements**

Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT, Service Tax etc. have been subsumed into GST. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, financial statements for the year ended 31 March 2018 and in particular absolute expenses etc. are not comparable with the figures of the previous year.

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

### 2. Property, Plant & Equipment

As at March 31, 2018

(Amount in lacs)

Particulars	Gross Block				Depreciation/Amortisation and Impairment				Net Block
	As At 1.4.2017	Additions	Deductions/ Adjustments	As At 31.3.2018	As At 1.4.2017	For the Year	Deductions/ Adjustments	Upto 31.3.2018	As At 31.3.2018
<b>Assets taken on lease</b>									
Leasehold land	127.53	-	-	127.53	-	-	-	-	127.53
Building on leasehold land*	258.21	1,440.61	-	1,698.82	13.43	64.60	-	78.03	1,620.79
<b>(A)</b>	<b>385.74</b>	<b>1,440.61</b>	<b>-</b>	<b>1,826.35</b>	<b>13.43</b>	<b>64.60</b>	<b>-</b>	<b>78.03</b>	<b>1,748.32</b>
<b>Own assets</b>									
Freehold land	183.90	-	-	183.90	-	-	-	-	183.90
Building on freehold land**	318.60	-	-	318.60	15.04	14.31	-	29.35	289.25
Plant & machinery	177.92	-	-	177.92	-	-	-	-	177.92
Furniture and fixtures	23.48	451.98	-	475.46	5.92	89.66	-	95.58	379.88
Office equipments & Electrical installation	79.29	354.86	-	434.15	26.82	91.87	-	118.69	315.46
Vehicles	255.90	1.31	-	257.21	63.35	60.37	-	123.72	133.49
<b>(B)</b>	<b>1,039.09</b>	<b>808.15</b>	<b>-</b>	<b>1,847.24</b>	<b>111.13</b>	<b>256.21</b>	<b>-</b>	<b>367.34</b>	<b>1,479.90</b>
<b>Total (A) + (B)</b>	<b>1,424.83</b>	<b>2,248.76</b>	<b>-</b>	<b>3,673.59</b>	<b>124.56</b>	<b>320.81</b>	<b>-</b>	<b>445.37</b>	<b>3,228.22</b>

As at March 31, 2017

(Amount in lacs)

Particulars	Gross Block				Depreciation/Amortisation and Impairment				Net Block
	As At 1.4.2016	Additions	Deductions/ Adjustments	As At 31.3.2017	As At 1.4.2016	For the Year	Deductions/ Adjustments	Upto 31.3.2017	As At 31.3.2017
<b>Assets taken on lease</b>									
Leasehold land	127.53	-	-	127.53	-	-	-	-	127.53
Building on leasehold land	258.21	-	-	258.21	-	13.43	-	13.43	244.78
<b>(A)</b>	<b>385.74</b>	<b>-</b>	<b>-</b>	<b>385.74</b>	<b>-</b>	<b>13.43</b>	<b>-</b>	<b>13.43</b>	<b>372.31</b>
<b>Own assets</b>									
Freehold land	183.90	-	-	183.90	-	-	-	-	183.90
Building on freehold land	318.60	-	-	318.60	-	15.04	-	15.04	303.56
Plant & machinery	177.92	-	-	177.92	-	-	-	-	177.92
Furniture and fixtures	20.69	2.79	-	23.48	-	5.92	-	5.92	17.56
Office equipments & Electrical installation	72.08	7.63	0.42	79.29	-	27.11	0.29	26.82	52.47
Vehicles	125.78	146.67	16.55	255.90	-	67.61	4.26	63.35	192.55
<b>(B)</b>	<b>898.97</b>	<b>157.09</b>	<b>16.97</b>	<b>1,039.09</b>	<b>-</b>	<b>115.68</b>	<b>4.55</b>	<b>111.13</b>	<b>927.96</b>
<b>Total (A) + (B)</b>	<b>1,284.71</b>	<b>157.09</b>	<b>16.97</b>	<b>1,424.83</b>	<b>-</b>	<b>129.11</b>	<b>4.55</b>	<b>124.56</b>	<b>1,300.27</b>

#### Gross Block

#### \*Building on leasehold land includes :-

- Alongwith other assets at Mumbai, possession of which (except one floor) is with the company as per court decision. Transfer of title of property is pending decision of court. 27.49

\* Building on leasehold land includes leasehold improvement

#### \*\*Building on freehold land include :-

- Alongwith cost of land on which depreciation charged on total cost 2.07
- For which conveyance deed is yet to be executed (15, Friends Colony West, New Delhi) 18.96



**Intangible assets**  
**As at March 31, 2018**

(Amount in lacs)

Particulars	Gross Block				Amortisation				Net Block
	As At 1.4.2017	Additions	Deductions/ Adjustments	As At 31.3.2018	As At 1.4.2017	For the Year	Deductions/ Adjustments	Upto 31.3.2018	As At 31.3.2018
Software	5.19	0.90	-	6.09	2.87	0.95	-	3.82	2.27
<b>Total</b>	<b>5.19</b>	<b>0.90</b>	<b>-</b>	<b>6.09</b>	<b>2.87</b>	<b>0.95</b>	<b>-</b>	<b>3.82</b>	<b>2.27</b>

**As at March 31, 2017**

(Amount in lacs)

Particulars	Gross Block				Amortisation				Net Block
	As At 1.4.2016	Additions	Deductions/ Adjustments	As At 31.3.2017	As At 1.4.2016	For the Year	Deductions/ Adjustments	Upto 31.3.2017	As At 31.3.2017
Software	4.38	0.81	-	5.19	-	2.87	-	2.87	2.32
<b>Total</b>	<b>4.38</b>	<b>0.81</b>	<b>-</b>	<b>5.19</b>	<b>-</b>	<b>2.87</b>	<b>-</b>	<b>2.87</b>	<b>2.32</b>

**3. Capital Work in Progress**

**As at March 31, 2018**

(Amount in lacs)

Particulars	Gross Block				Amortisation				Net Block
	As At 1.4.2017	Additions	Deductions/ Adjustments	As At 31.3.2018	As At 1.4.2017	For the Year	Deductions/ Adjustments	Upto 31.3.2018	As At 31.3.2018
Capital Work in Progress_building	1,905.25	435.35	2,340.60	-	-	-	-	-	-
<b>Total</b>	<b>1,905.25</b>	<b>435.35</b>	<b>2,340.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**As at March 31, 2017**

(Amount in lacs)

Particulars	Gross Block				Amortisation				Net Block
	As At 1.4.2016	Additions	Deductions/ Adjustments	As At 31.3.2017	As At 1.4.2016	For the Year	Deductions/ Adjustments	Upto 31.3.2017	As At 31.3.2017
Capital Work in Progress_building	497.81	1,407.44	-	1,905.25	-	-	-	-	1,905.25
<b>Total</b>	<b>497.81</b>	<b>1,407.44</b>	<b>-</b>	<b>1,905.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,905.25</b>

**4. Non-current Investments**

(Amount in lacs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
-------------	-------------------------	-------------------------	------------------------

**(a) Investment In Equity Instruments- Fully paid up**

**Quoted ( at fair value through Other comprehensive income ) No.of Shares/Units (refer footnote i)**

197,999 (March 31, 2017:197,999; April 1, 2016: 197,999) Lords Chloro Alkali Ltd. of Rs. 10 each	99.99	67.22	56.92
680,001 (March 31, 2017:680,001; April 1, 2016: 680,001) Bihar Sponge Iron Ltd. of Rs. 10 each	12.31	15.23	17.41
166,714 (March 31, 2017:185,750; April 1, 2016:185,750) Infosys Limited of Rs.5 each (Bonus Shares)	1,891.20	1,896.13	2,262.34
4,400 (March 31,2017:4,400;April 1,2016:4400) Housing Development Finance Corp. Ltd. of Rs. 2 each	80.27	66.10	48.64
	<b>2,083.77</b>	<b>2,044.68</b>	<b>2,385.31</b>

(Amount in lacs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
<b>Unquoted (at cost) No.of Shares/Units</b>			
11,475,000 (March 31, 2017:11,475,000; April 1, 2016: 11,475,000) Modistone Ltd. of Rs. 10 each	2,137.50	2,137.50	2,137.50
Less : Provision for diminution in value of shares	(2,137.50)	(2,137.50)	(2,137.50)
<b>Joint Ventures</b>			
96,000 (March 31,2017:96,000;April 1,2016:96,000) Modi Carpets Ltd. of Rs. 10 each	6.19	6.19	6.19
Less : Provision for diminution in value of shares	(6.19)	(6.19)	(6.19)
<b>Other Investments (at fair value) No.of Shares/Units</b>			
Nil (March 31, 2017:3,232,000; April 1, 2016:3,232,000) Xerox India Ltd.of Rs. 10 each	-	468.80	468.80
9,000 (March 31,2017:9,000;April 1,2016:9,000) Licensintorg Co. (I) Pvt. Ltd. of Rs. 10 each	9.00	9.00	9.00
Less : Provision for diminution in value of shares	(9.00)	(9.00)	(9.00)
11,550 (March 31,2017:11,550;April 1,2016:11,550) Kesha Processors Ltd. of Rs. 10 each	1.05	1.05	1.05
Less : Provision for diminution in value of shares	(1.05)	(1.05)	(1.05)
1,250,000 (March 31, 2017:1,250,000 ; April 1, 2016: 1,250,000) Spark Plug Ltd. of Rs. 10 each	125.00	125.00	125.00
Less : Provision for diminution in value of shares	(125.00)	(125.00)	(125.00)
56,00,000 (March 31,2017:56,00,000; April 1, 2016:56,00,000) equity shares of Mod Fashions & Securities Pvt. Ltd. of Rs. 10/- each fully paid up	2,520.00	2,688.00	1,736.00
	<b>2,520.00</b>	<b>3,156.80</b>	<b>2,204.80</b>
<b>(b) Investment in Preference shares</b>			
<b>Unquoted</b>			
99 (March 31,2017:99;April 1,2016:99) - 7% Non Cumulative Non Convertible Redeemable Preference Shares of K.K. Modi Investment and Financial Services Private Limited of Rs.10 each	0.01	0.01	0.01
	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>
<b>(c) Investment In Government or Trust Securities</b>			
<b>Unquoted ( at fair value)</b>			
12.30% Central Government Stock, 2016	-	-	14.00
12.60% Central Government Stock, 2018	12.00	12.00	12.00
Tax Free, Secured, Redeemable, Non Convertible, Bonds of National Highway Authority of India of Rs. 1000/- each fully paid up for 10 Years (Inception date :28.01.2012 ; Maturity date :28.01.2022)	74.17	74.17	74.17
10,875 (March 31,2017:10,875 ;April 1,2016:10,875) Tax Free, Secured , Redeemable, Non-Convertible Bonds of Indian Railway Finance Corporation Ltd.of Rs. 1000/- each fully paid up for 15 Years (Inception date:23.02.2012 ; Maturity date:23.02.2027)	108.75	108.75	108.75
12,362(March 31,2017:12,362;April 1,2016:12,362) - Tax Free, Secured, Redeemable, Non Convertible, Bonds of National Highway Authority of India of Rs. 1000/- each fully paid up for 10 Years (Inception date:25.01.2012 ; Maturity date:25.01.2022)	123.62	123.62	123.62
	<b>318.54</b>	<b>318.54</b>	<b>332.54</b>



(Amount in lacs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
<b>(d) Investment In mutual funds Quoted (at fair value)</b>			
2500 (March 31,2017:2,500;April 1,2016:2,500) Units of Prudential ICICI Technology Fund of Rs. 10/- each fully paid up	0.75	0.68	0.77
	<u>0.75</u>	<u>0.68</u>	<u>0.77</u>
<b>(e) Others</b>			
Investment in Modi Marco Aldany Pvt Ltd. (Share application money pending allotment)	98.50	-	-
<b>Total</b>	<u><u>5,021.57</u></u>	<u><u>5,520.71</u></u>	<u><u>4,923.43</u></u>

Footnote:

- (i) Market Rate - (March 31, 2018: 2083.77 lakhs; March 31, 2017: 2044.68 lakhs; April 1, 2016: 2385.31 lakhs)  
(ii) For explanation on the Company credit risk management process refer note 35.1

## 5. Non-current Loans

(Amount in lacs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
<b>Loans</b>			
<b>Unsecured, considered good</b>			
Others deposits for utilities	14.77	14.98	14.61
<b>Unsecured Considered doubtful</b>			
Loan to Lords Chloro Alkali Limited	-	10.00	10.00
Less: Provision for doubtful loan	-	(10.00)	(10.00)
<b>Total</b>	<u><u>14.77</u></u>	<u><u>14.98</u></u>	<u><u>14.61</u></u>

- (i) For explanation on the Company credit risk management process refer note 35.1

## 6. Other Non-current Financial Assets

(Amount in lacs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Restricted deposit with banks (Refer footnote a & b)			
Deposits with banks (Refer footnote c & d)	4,253.30	4,002.58	4,094.60
Interest accrued on non current bank balance (Refer footnote c & d)	623.76	599.80	381.19
Fixed deposit with maturity more than twelve months	-	200.00	-
<b>Total</b>	<u><u>4,877.06</u></u>	<u><u>4,802.38</u></u>	<u><u>4,475.79</u></u>

Footnote i

- a) **Nature:** The restrictions are primarily on account of fixed deposits pledged with various government authorities & others and bank guarantees given.  
b) **Terms & conditions:** The deposits maintained by the Company with banks comprise of time deposits which can be withdrawn by the Company subject to compliance of restrictions.

- c) Deposit with banks and interest accrued includes Rs 2,415.42 lacs and Rs 511.14 lacs respectively which represents an escrow account which was created due to Share Purchase Agreement dated July 15, 2011, between the Company & Continental India Limited, in order to cover unascertained liabilities till the expiry of escrow period (2019), and hence interest income accrued on escrow account deposit is not considered as income and shown as liability under "Other Current Liabilities". (Refer Note 25)
- (d) Deposit with banks and interest accrued includes Rs 1,300 lacs and Rs 56.64 lacs respectively which represents payment made against bank guarantee issued on direction of the Registrar of Supreme Court in the matter of intercorporate deposits amounting to Rs 500 lacs (Refer Note 19(b))

## 7. Deferred tax assets (Net)

(Amount in lacs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
<b>Deferred tax assets</b>			
Provision for gratuity	-	15.70	(41.55)
Carried Forward Business Losses/Unabsorbed Depreciation	386.61	2,083.97	1,851.66
Taxes and duties u/s 43B	530.75	618.75	624.76
Depreciation and amortisation of fixed assets	(123.25)	(174.00)	(186.91)
Measurement of liabilities at amortised cost	(0.53)	0.08	(0.74)
Rent equalisation reserve	6.70	7.88	7.79
MAT credit entitlement	79.04	499.34	443.58
Measurement of investment at fair value through Other Comprehensive income	(181.73)	-	-
Measurement of investment at fair value through profit or loss	(51.65)	(78.67)	47.29
Measurement of assets at amortised cost	89.13	27.41	0.77
Remeasurement of post employment benefit obligations	(2.99)	-	-
<b>Total</b>	<b>732.08</b>	<b>3,000.46</b>	<b>2,746.65</b>

- a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

### Movement in deferred tax balances

March 31, 2018

(Amount in lacs)

Particulars	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2018
Difference in book depreciation and tax depreciation	(174.00)	50.75	-	(123.25)
Leave encashment	-	-	-	-
Gratuity	15.70	(15.70)	-	-
Carried Forward Business Losses/Unabsorbed Depreciation	2,083.97	(1,697.36)	-	386.61
Taxes and duties u/s 43B (Sales tax provision)	618.75	(88.00)	-	530.75
Measurement of investment at fair value through profit or loss	(78.67)	27.02	-	(51.65)
Measurement of investment at fair value through Other Comprehensive income	-	-	(181.73)	(181.73)
Remeasurement of post employment benefit obligation	-	-	(2.99)	(2.99)
MAT credit entitlement	499.34	(420.30)	-	79.04
Measurement of liabilities at amortised cost	0.08	(0.61)	-	(0.53)
Measurement of assets at amortised cost	27.41	61.72	-	89.13
Rent equalisation reserve	7.88	(1.18)	-	6.70
<b>Net tax assets/(liabilities)</b>	<b>3,000.46</b>	<b>(2,083.66)</b>	<b>(184.72)</b>	<b>732.08</b>



March 31, 2017

(Amount in lacs)

Particulars	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2017
Difference in book depreciation and tax depreciation	(186.91)	12.91	-	(174.00)
Gratuity	(41.55)	57.25	-	15.70
Carried Forward Business Losses/Unabsorbed Depreciation	1,851.66	232.31	-	2,083.97
Taxes and duties u/s 43B (sales tax provision)	624.76	(6.01)	-	618.75
MAT credit entitlement	443.58	55.76	-	499.34
Measurement of investment at fair value through profit or loss	47.29	(125.96)	-	(78.67)
Measurement of liabilities at amortised cost	(0.74)	0.82	-	0.08
Rent equalisation reserve	7.79	0.09	-	7.88
Measurement of assets at amortised cost	0.77	26.64	-	27.41
<b>Net tax assets/(liabilities)</b>	<b>2,746.65</b>	<b>253.81</b>	<b>-</b>	<b>3,000.46</b>

## 8. Other Non Current Assets

(Amount in lacs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Capital advances	7.21	197.90	84.08
Amount Recoverable*	213.72	-	-
<b>Deposits under disputes</b>			
Income tax	455.32	1.20	201.20
Sales tax	-	40.23	40.23
Custom	167.89	167.89	167.89
Others	22.34	-	-
Excess of fund value over gratuity liability	3.06	-	-
<b>Balance with statutory/government authorities</b>			
Advance tax and tax deducted at source	150.53	581.74	305.56
<b>Total</b>	<b>1,020.07</b>	<b>988.96</b>	<b>798.96</b>

Note:

\* The Company holds around 55% shares in Modistone Ltd (MSL) which is under liquidation and was having working capital facilities from various banks. In 1996, the Company had also given a cash loan and material loan of Rs. 2524.00 lacs to MSL against mortgage of 2 flats in posh localities of Mumbai by way of deposit of title deeds. In 1996-97, at the time of renewal of working capital facility of MSL, consortium banks had asked for personal guarantee from Mr VK Modi & Dr. BK Modi (not holding any shares in MSL), who were then were the nominee directors of the Company on the board of MSL. MSL had also given them the counter guarantee. Board of Industrial and Financial Reconstruction recommended under section 20 of Sick Industrial Companies Act, 1985 to Bombay High Court for winding up of MSL. Consortium banks have filed recovery suits against guarantors and obtained decree from Debt Recovery Tribunal. Board of Directors of the Company in their board meeting dated 17th August 2017 decided to indemnify director of the Company (Mr. VK Modi) and also to do settlements with other banks on similar terms. The Company settled the liability of State Bank of Bikaner & Jaipur of Rs. 1320.00 lacs & State Bank of Indore of Rs. 536.04 lacs for Rs. 141.11 lacs & Rs. 72.61 lacs respectively which are recoverable from MSL in due course.

**9. Inventories****(Amount in lacs)**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
<b>(As taken, valued and certified by the management)</b>			
Stores, Spare Parts and Loose Tools (Scrap)	75.42	75.42	75.42
<b>Total</b>	<b>75.42</b>	<b>75.42</b>	<b>75.42</b>

**10. Current Financial Investments****(Amount in lacs)**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
<b>Investment in Mutual Funds -Fully Paid up</b>			
<b>Quoted (at fair value) (refer footnote i)</b>			
Nil (March 31, 2017: 5,188,579; April 1, 2016: 5,188,579) Reliance R.S. Fund -Debt RG of Rs.10/-each	-	1,175.56	1,071.49
Nil (March 31, 2017: 4,920; April 1, 2016: Nil) SBI Premier Liquid Fund-Regular plan -Growth of Rs. 10 each	-	125.25	-
Nil (March 31, 2017:1,609,776; April 1, 2016: 2,291,833) Reliance Short term fund Money Manager Fund of Rs.10/-each	-	496.08	648.09
603 units( March 31, 2017:Nil; April 1, 2016: Nil) HSBC Cash Fund - Growth	10.43	-	-
991331 units (March 31, 2017:Nil; April 1, 2016: Nil) ICICI Prudential Liquid Plan- Growth	2,540.14	-	-
Nil (March 31, 2017:Nil; April 1, 2016: 35,360) Franklin India Short Term -IP-RP-Growth of Rs.10/-each	-	-	1,077.53
3,250,000 (March 31,2017:3,250,000;April 1,2016:3,250,000) -Units of Reliance Fixed Horizon Fund-XXVI Series 1-Growth Plan	466.81	430.84	395.87
Nil (March 31,2017:243.736;April 1,2016:139.746) -Units of Reliance Liquid Fund TP-Direct-GP-GO	-	9.67	5.17
Nil (March 31,2017:576.671;April 1,2016: 576.671) -Units of Reliance Liquid Fund TP-GP-GO	-	22.80	21.25
40113.315 (March 31,2017:Nil ;April 1,2016: Nil) -Units of ICICI Prudential Liquid Plan - Growth	102.77	-	-
Nil (March 31,2017 :3,959.073; April 1,2016 :1,392.487) units of Reliance Liquid Fund - TP GP GO	-	157.07	51.45
Nil (March 31,2017 :Nil ; April 1,2016 :41,819.99) units of Frankin - India ST Income Plan Ret(G)	-	-	1,274.39
7,866,052.365 (March 31,2017 :7,866,052.365 ; April 1,2016: Nil) units of Kotak Income Opp. Fund- Growth (Regular Plan)	1,503.56	1,411.50	-
602.958 (March 31,2017 :Nil ; April 1,2016 :Nil) units of HSBC cash Fund - Growth Direct Plan	10.43	-	-
79119.613 (March 31,2017 :Nil ; April 1,2016 :Nil) units of ICICI Prudential Liquid Plan	202.73	-	-
<b>Total</b>	<b>4,836.87</b>	<b>3,828.77</b>	<b>4,545.24</b>

There are no significant restrictions on the right of ownership, realisability of investments or the remittance of income or proceeds of disposal.



## 11. Trade Receivables \*

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Unsecured and considered good unless otherwise specified</b>			
a) Debts outstanding for a period exceeding six months			
(i) Unsecured Considered good	67.11	205.09	167.90
(ii) Unsecured Considered doubtful	310.28	81.50	2.43
	<u>377.39</u>	<u>286.59</u>	<u>170.33</u>
Less : Provision for doubtful debts	(310.28)	(81.50)	(2.43)
	<u>67.11</u>	<u>205.09</u>	<u>167.90</u>
b) Others			
(i) Unsecured Considered good	43.40	84.05	83.01
(ii) Unsecured Considered doubtful	12.99	7.21	0.07
	<u>56.39</u>	<u>91.26</u>	<u>83.08</u>
Less : Provision for doubtful debts	(12.99)	(7.21)	(0.07)
	<u>43.40</u>	<u>84.05</u>	<u>83.01</u>
<b>Total</b>	<b><u>110.51</u></b>	<b><u>289.14</u></b>	<b><u>250.91</u></b>

\*Includes amount due from related parties (Refer note 39)

- (i) Due from a Private Company in which one of the director of the Company, is a director- Maple Bear Education Pvt Ltd: Rs 4.26 lacs
- (ii) For explanation on the company credit risk management process refer note 35.1
- (iii) For long outstanding trade receivables refer credit risk management process note 35.1

## 12. Cash and Cash Equivalents

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
Cash on hand	3.39	3.16	1.54
Balances with banks			
Current accounts	726.06	115.18	389.31
Deposit with original maturity of less than three months	500.00	-	-
<b>Total</b>	<b><u>1,229.45</u></b>	<b><u>118.34</u></b>	<b><u>390.85</u></b>

For explanation on the company credit risk management process refer note 35.1

## 12A. Other Bank Balances

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Other bank balances</b>			
Deposits with original maturity for more than three months but realizable within twelve months from Balance Sheet date (note a)	200.00	-	200.00
<b>Total</b>	<b><u>200.00</u></b>	<b><u>-</u></b>	<b><u>200.00</u></b>

For explanation on the company credit risk management process refer note 35.1

**13. Current Loans****(Amount in lacs)**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
<b>Loans</b>			
<b>Unsecured, considered good</b>			
Loans and advances to Related Party	1,933.91	1,726.45	1,451.52
<b>Unsecured, considered Doubtful</b>			
Loans and advances to Related Party *	223.76	-	-
Less: Provision for doubtful loan**	(223.76)	-	-
<b>Staff Advances</b>			
(i) Unsecured Considered good	37.22	33.70	13.07
(ii) Unsecured Considered doubtful	7.46	7.46	7.46
	44.68	41.16	20.53
Less : Provision for doubtful advances	(7.46)	(7.46)	(7.46)
	37.22	33.70	13.07
<b>Total</b>	<b>1,971.13</b>	<b>1,760.15</b>	<b>1,464.59</b>

\* Includes amount due from Associate: Vinura Beverages Pvt Ltd. (Refer note 39)

\*\* The Company is in the process to recover the overdue loan including interest thereon amounting to Rs. 32.10 lacs. In view of the management, the outstanding amount would be recovered in due course, but in the matter of prudence, an equivalent amount for doubtful of recovery has been provided in the books of accounts.

(i) For explanation on the company credit risk management process refer note 35.1

(ii) For long outstanding receivables refer credit risk management process note 35.1

**14. Other current financial assets****(Amount in lacs)**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
<b>Unsecured, considered good</b>			
Interest accrued on fixed deposits/ tax free long term bonds etc.	12.19	76.76	72.21
Interest accrued on Govt. Securities	0.54	0.54	0.96
Interest accrued on loans and advances to Related Party	-	200.54	151.11
Advances & other recoverable	35.88	31.24	153.81
<b>Total</b>	<b>48.61</b>	<b>309.08</b>	<b>378.09</b>

\* Includes amount due from related parties (Refer note 39)

For explanation on the company credit risk management process refer note 35.1

**15. Current tax assets (net)****(Amount in lacs)**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Current tax (net of provision for tax amounting to Rs 250.6 lacs (March 31, 2017: Rs Nil, April 1, 2016: Rs Nil)	86.95	58.50	83.80
<b>Total</b>	<b>86.95</b>	<b>58.50</b>	<b>83.80</b>



## 16. Other current assets

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
Other claims recoverable	141.71	135.10	125.56
Advances to contractors & suppliers	24.70	51.52	52.67
Prepaid expenses	12.12	16.85	12.98
<b>Balances with Statutory/ Government authorities</b>			
Cenvat credit receivable	-	0.63	0.55
Income tax paid under protest	-	-	-
<b>Total</b>	<b>178.53</b>	<b>204.10</b>	<b>191.76</b>

## 17. Share capital

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Equity share capital</b>			
The Company has two class of shares i.e. Equity Shares having a par value of Rs.10 per share and Preference shares having a par value of Rs.100 per share.			
<b>Authorised shares</b>			
50,000,000 Equity shares of par value Rs.10 each (50,000,000 Equity shares of par value Rs.10 each as at March 31, 2017 and April 1, 2016)	5,000.00	5,000.00	5,000.00
200,000 11% Redeemable Cumulative Preference shares of par value Rs. 100 each (200,000 Preference shares of par value Rs.100 each as at March 31, 2017 and April 1, 2016)	200.00	200.00	200.00
	<b>5,200.00</b>	<b>5,200.00</b>	<b>5,200.00</b>
<b>Issued, subscribed and fully paid up shares</b>			
25,040,532 Equity shares of par value Rs.10 each (25,040,532 shares of par value Rs.10 each as at March 31, 2017 and April 1, 2016)	2,504.05	2,504.05	2,504.05
	<b>2,504.05</b>	<b>2,504.05</b>	<b>2,504.05</b>

a) **Movements in equity share capital:**

During the period, the Company has neither issued nor bought back any shares.

b) **Terms and rights attached to equity shares:**

*Voting*

Each holder of equity share is entitled to one vote per share held.

*Dividends*

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed.

*Liquidation*

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

- c) During the last five financial years, no class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back.
- d) Shares held by the shareholders holding more than 5% shares in the Company.

Name of the share holders	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	%age holding	No. of shares	%age holding	No. of shares	%age holding
<b>Equity share of Rs. 10 each, fully paid</b>						
Mod Fashions and Securities Private Limited	12,010,267	47.96%	12,010,267	47.96%	12,010,267	47.96%
Witta International Inc	2,554,078	10.20%	2,554,078	10.20%	2,554,078	10.20%
Kinborough Limited	5,739,451	22.92%	5,739,451	22.92%	5,739,451	22.92%

## 18. Other equity

(Amount in lacs)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
General reserve	903.16	903.16	903.16
Capital reserve	13,782.22	13,782.22	13,782.22
Security premium reserve	5,782.32	5,782.32	5,782.32
Retained earnings	17,636.02	16,515.11	13,805.44
<b>Total</b>	<b>38,103.72</b>	<b>36,982.81</b>	<b>34,273.14</b>

	March 31, 2018	March 31, 2017
<b>Retained earnings</b>		
Opening balance	16,515.11	13,805.44
Add: Profit after tax for the year as per Statement of Profit and Loss	1,535.60	2,444.94
	<b>18,050.71</b>	<b>16,250.38</b>
Items of other comprehensive income recognised directly in retained earnings:		
- Fair valuation impact on quoted equity investment, net of tax	(127.93)	611.37
- Remeasurements of post-employment benefit obligation, net of tax	8.51	-
- Group's share in Dividend Distribution Tax on dividend received	(298.73)	(305.52)
- Share of other comprehensive income of joint ventures and associate	3.46	(41.12)
<b>Closing balance (a+b)</b>	<b>17,636.02</b>	<b>16,515.11</b>

For reconciliation of other equity as at April 1, 2016 refer statement of changes in equity.



## 19. Non current Borrowings

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings			
Term loans from others- Secured (refer footnote (a))	71.73	106.12	38.59
Inter Corporate Deposits- Unsecured (refer footnote (b))	250.00	250.00	250.00
<b>Total</b>	<b>321.73</b>	<b>356.12</b>	<b>288.59</b>

Includes:

(a) Secured by hypothecation of Vehicles:

- i) Term Loan of Rs. 25.82 Lacs (March 31, 2017: Rs. 38.62 Lacs, April 1, 2016: Rs 50.11 lacs) repayable in equated monthly instalment of Rs.1,34 lacs each (including interest). Final instalment due in December 2019.
- ii) Term Loan of Rs. 80.31 Lacs (March 31, 2017: Rs 98.23 lacs, April 1, 2016: Nil) repayable in equated monthly instalment of Rs 2.39 lacs each (including interest). Final instalment due in August 2021.

(b) Rs.250 lacs (March 31, 2017: Rs. 250 lacs, April 1, 2016: Rs. 250 lacs) payable @ 50% of Rs.500 lacs to M/s Morgan Securities & Credit Pvt.Ltd.as per BIFR SS-08

## 20. Other Non current Financial Liabilities

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
Security deposits received from Customers*	55.37	34.28	31.62
<b>Total</b>	<b>55.37</b>	<b>34.28</b>	<b>31.62</b>

\*Deposits received from customers are payable on successful completion of terms and conditions attached to deposits.

## 21. Non current Provisions

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
Provision for employee benefits			
Gratuity	-	-	12.43
<b>Total</b>	<b>-</b>	<b>-</b>	<b>12.43</b>

## 22. Other non-current liabilities

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
Other payables:			
Sales tax payable for West Bengal	-	3.05	13.87
Deferred rent	9.82	5.15	7.75
Rent equalisation reserve	25.78	25.49	25.20
<b>Total</b>	<b>35.60</b>	<b>33.69</b>	<b>46.82</b>

## 23. Trade Payables

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
<b>For goods and services</b>			
Dues to micro, small and medium enterprises (refer footnote ii)			
Dues to others	271.62	448.46	447.33
	<u>271.62</u>	<u>448.46</u>	<u>447.33</u>

- (i) The Company's exposure to liquidity risk related to trade payables is disclosed in note 35.1
- (ii) The Company has requested all its vendors to confirm their status under Micro, Small and Medium Enterprises Development Act, 2006 ('Act'). Based on the confirmations received, there are no amounts due to any micro or small enterprise under the MSMED Act, 2006. Further, the Company's liability towards any interest for delayed payments, if any under the provisions of the Act is not likely to be material.
- (iii) Trade payables are non interest bearing and are normally settled in normal trade cycle.
- (iv) "Due to others" include Rs. 136.62 lacs (March 31, 2017: Rs. 136.62 lacs; April 1, 2016: Rs. 136.62 lacs) i.e 20% of Rs. 683.10 lacs as per settlement terms defined in BIFR SS08 towards lease rent payable to M/s Modi Exports Processors Ltd.(MEPL) for the period January, 2002 to September, 2007. Further no liability towards lease rent has been provided after September, 2007 since the premises are sealed by the Official Liquidator of MEPL.
- (v) "Due to others" include Rs 135 lacs (March 31, 2017: Rs 310.71; April 1, 2016: Rs 310.71) which represents settlement of Continental Carbon India Limited dues for Rs. 380 lacs. The Company has paid Rs 245 lacs till 31st March 2018 and the balance amount will be paid by 31st December 2018 in 9 monthly instalments of Rs 15 lacs each.

## 24. Other Current Financial Liabilities

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
Current maturities of long-term Loans	34.40	30.73	11.55
Other payables:			
Employee related payables*	275.26	283.38	287.28
Payable for expenses	394.74	472.40	407.52
Others	1.01	-	-
<b>Total</b>	<u>705.41</u>	<u>786.51</u>	<u>706.35</u>

\* Include Rs. 268.65 lacs represent unclaimed liability of some workers towards full and final settlement for all their past dues as per BIFR order.

The Company's exposure to liquidity risk related to payables is disclosed in note 35.1

## 25. Other Current Liabilities

(Amount in lacs)

Particulars	As At	As At	As At
	March 31, 2018	March 31, 2017	April 1, 2016
Other payables			
Escrow Account Claims Adjustable (Refer note 6 c)	637.36	412.13	202.85
Provision for Wealth Tax	-	-	0.46
Other liabilities (represent statutory liabilities payable to Government authorities)*	2,301.00	2,376.86	2,408.70
Deferred Rent	3.53	2.61	2.61
<b>Total</b>	<u>2,941.89</u>	<u>2,791.60</u>	<u>2,614.62</u>

\* include Rs. 2,267.74 lacs (March 31, 2017: Rs 2,303.31 lacs; April 1, 2016: Rs 2,303.31 lacs) which represents the sales tax liability of various State Authorities. The Company had made representations to the States Authorities for giving various relief and concessions in line with BIFR sanctioned scheme. In the opinion of the management, sales tax liability would be reduced as soon as representation of the Company will be heard by various States Authorities.



## 26. Revenue From Operations

(Amount in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Other operating revenues		
Rent income	592.59	515.08
<b>Total</b>	<b>592.59</b>	<b>515.08</b>

## 27. Other Income

(Amount in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on:		
Bank deposits & other bank balance	139.46	165.40
Loans and advances	173.00	186.93
Interest- others	25.09	25.03
Interest on tax refund	12.26	57.71
Interest on security deposit at amortised cost	2.85	2.61
Dividend income	52.47	47.97
	<b>405.13</b>	<b>485.65</b>
<b>Other non-operating income</b>		
Financial assets measured at fair value	199.00	172.12
Net gain on sale of investment	142.08	246.34
Profit on sale of assets	-	0.20
Liabilities/ provisions no longer required written back	123.61	43.23
Miscellaneous income	18.81	0.33
	<b>483.50</b>	<b>462.22</b>
<b>Total</b>	<b>888.63</b>	<b>947.87</b>

## 28. Employee Benefits Expense

(Amount in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and other short term employees benefits	421.83	387.02
Contributions to provident and other funds	29.07	20.90
Staff welfare expenses	41.90	55.11
<b>Total</b>	<b>492.80</b>	<b>463.03</b>

## 29. Finance Costs

(Amount in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on term loan	14.22	11.91
Interest on statutory dues	3.19	1.24
Bank guarantee charges	30.68	31.57
Finance charges on financial liabilities measured at amortised cost	-	0.02
Unwinding of discount on vendor liabilities	3.15	2.65
<b>Total</b>	<b>51.24</b>	<b>47.39</b>

### 30. Other Expenses

(Amount in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Communication expenses	17.59	19.84
Travelling expenses	167.65	192.14
Legal and professional fees	512.02	364.51
Electricity & Water	95.67	98.13
Power & fuel	14.23	12.85
Insurance premium	13.23	10.80
Rent expenses (Refer Note 38)	43.82	45.87
Rates and taxes	21.68	24.83
Security charges	108.08	95.89
Guest house expenses	13.07	21.93
Office maintenance	20.18	14.51
Repairs & maintenance		
- Buildings	271.05	212.42
- Others	52.40	34.77
Payment to statutory auditors (excluding Goods and Service tax (Previous year excluding service tax):		
Audit fee	9.61	8.05
Tax audit fee	2.19	0.23
Other services	2.45	2.10
Reimbursement of expenses	0.59	0.50
Business promotion expenses	14.91	21.96
Donations	22.00	-
Loss on sale of assets	-	-
Allowance for bad and doubtful debts	234.56	86.21
Allowance for doubtful advances	243.31	-
Liability paid on settlement (Refer Note 23(v))	69.38	-
Sundry balances written off	70.70	145.58
Miscellaneous expenses	91.99	76.21
<b>Total</b>	<b>2,112.35</b>	<b>1,489.33</b>

### 31. Disclosure as per Ind AS 33 on 'Earnings per Share'

#### Basic and diluted earnings per share

	March 31, 2018	March 31, 2017
Basic and diluted earnings per share (Refer footnote a & b)	6.13	9.76
Nominal value per share	10	10
<b>(a) Profit attributable to equity shareholders</b>		
Profit for the year (in Lacs)	1,535.60	2,444.94
Profit attributable to equity shareholders	<b>1,535.60</b>	<b>2,444.94</b>
<b>(b) Weighted average number of equity shares</b>		
Opening balance of issued equity shares (In Lacs)	250.41	250.41
Effect of shares issued during the year, if any	-	-
<b>Weighted average number of equity shares for Basic and Diluted EPS</b>	<b>250.41</b>	<b>250.41</b>

At present, the Company does not have any dilutive potential equity shares.



## 32. First-time Adoption of Ind AS

The company has prepared its first Consolidated Financial Statements in accordance with Ind AS for the year ended March 31, 2018. For periods up to and including the year ended March 31, 2017, the Company prepared its Consolidated financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS Opening Balance Sheet is April 1, 2016 (the date of transition to Ind AS). The adoption of Ind AS has been carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS Consolidated financial statements for the year ended March 31, 2018, be applied retrospectively and consistently for all financial years presented.

The accounting policies set out in Note 1.1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2016 (the Company's date of transition). According to Ind AS 101, the first Ind AS Consolidated Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at March 31, 2018, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Consolidated Financial Statements.

However, in preparing these Ind AS Consolidated financial statements, the company has availed certain exemptions and exceptions in accordance with Ind AS 101. Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 1, 2016 compared with those presented in the Indian GAAP Balance Sheet as of March 31, 2016, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following notes and tables

### A) Exemption and exceptions availed

In the Ind AS Opening Consolidated Balance Sheet as at April 1, 2016, the carrying amounts of assets and liabilities from the Indian GAAP as at 31 March 2016 are generally recognized and measured according to Ind AS in effect as on March 31, 2018. For certain individual cases, however, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has used the following exemptions and exceptions in preparing its Ind AS Opening Consolidated Balance Sheet:

#### A.1 Ind AS optional exemptions

##### A.1.1 Property, plant and equipment & Intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

#### A.2 Ind AS mandatory exceptions

##### A.2.1 Estimates

The Company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVTPL or FVTOCI;
- Impairment of financial assets based on expected credit loss model.

##### A2.2 Classification and measurement of financial assets

Ind AS 101 requires the company to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted on amortised cost basis on fact and circumstances existing as at the date of transition, if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Measurement of financial assets has been done retrospectively except where the same is impracticable.

### A2.3 Derecognition of financial assets and liabilities

As per Ind AS 101 an entity should apply derecognition requirements in Ind AS 109 prospectively for transaction occurring on or after the date of transition to Ind AS.

### B) Reconciliation of equity as at April 1, 2016 and as at March 31, 2017

(Amount in lacs)

	Note	April 1, 2016			March 31, 2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>							
<b>(1) Non-current assets</b>							
Property, plant and equipment		1,284.71	-	1,284.71	1,300.27	-	1,300.27
Capital work-in-progress		497.81	-	497.81	1,905.25	-	1,905.25
Other Intangible assets		4.38	-	4.38	2.32	-	2.32
Investment in joint ventures and associate		-	18,597.95	18,597.95	-	19,758.69	19,758.69
Financial Assets							
(i) Investments	a	8,524.45	(3,601.02)	4,923.43	8,510.45	(2,989.74)	5,520.71
(ii) Loans		14.61	-	14.61	14.98	-	14.98
(iii) Other financial assets		4,475.79	-	4,475.79	4,802.38	-	4,802.38
Deferred tax assets(net)		2,691.54	55.11	2,746.65	3,043.76	(43.30)	3,000.46
Other non-current assets		797.76	1.20	798.96	988.96	-	988.96
<b>Total non-current assets</b>		<b>18,291.05</b>	<b>15,053.24</b>	<b>33,344.29</b>	<b>20,568.37</b>	<b>16,725.65</b>	<b>37,294.02</b>
<b>(2) Current Assets</b>							
Inventories		75.42	-	75.42	75.42	-	75.42
Financial Assets							
(i) Investments	a	3,965.46	579.78	4,545.24	3,429.08	399.69	3,828.77
(ii) Trade receivables	d	253.40	(2.49)	250.91	377.84	(88.70)	289.14
(iii) Cash and cash equivalents		390.85	-	390.85	118.34	-	118.34
(iv) Bank balances other than (iii) above		200.00	-	200.00	-	-	-
(v) Loans		1,464.59	-	1,464.59	1,760.15	-	1,760.15
(vi) Other financial assets		378.09	-	378.09	309.08	-	309.08
Current tax assets (net)		83.80	-	83.80	58.50	-	58.50
Other current assets		192.96	(1.20)	191.76	204.10	-	204.10
<b>Total current assets</b>		<b>7,004.57</b>	<b>576.09</b>	<b>7,580.66</b>	<b>6,332.51</b>	<b>310.99</b>	<b>6,643.50</b>
<b>Total Assets</b>		<b>25,295.62</b>	<b>15,629.33</b>	<b>40,924.95</b>	<b>26,900.88</b>	<b>17,036.64</b>	<b>43,937.52</b>



(Amount in lacs)

	Note	April 1, 2016			March 31, 2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
<b>EQUITY &amp; LIABILITIES</b>							
<b>Equity</b>							
Equity Share capital		2,504.05	-	2,504.05	2,504.05	-	2,504.05
Other equity	a,b,c, d,e,f	18,666.63	15,606.51	34,273.15	19,969.35	17,013.45	36,982.80
<b>Total equity</b>		<b>21,170.68</b>	<b>15,606.51</b>	<b>36,777.19</b>	<b>22,473.40</b>	<b>17,013.45</b>	<b>39,486.85</b>
<b>Liabilities</b>							
<b>(1) Non-current liabilities</b>							
Financial liabilities							
(i) Borrowings	e	288.61	(0.02)	288.59	356.13	(0.01)	356.12
(ii) Deferred tax liability		-	-	-	-	-	-
(ii) Other financial liabilities	b	44.34	(12.72)	31.62	44.33	(10.05)	34.28
Provisions		12.43	-	12.43	-	-	-
Other non-current liabilities		13.86	32.96	46.82	3.05	30.64	33.69
<b>Total non-current liabilities</b>		<b>359.24</b>	<b>20.22</b>	<b>379.46</b>	<b>403.51</b>	<b>20.58</b>	<b>424.09</b>
<b>(2) Current liabilities</b>							
Financial liabilities							
(i) Borrowings		-	-	-	-	-	-
(ii) Trade payables		447.33	-	447.33	448.46	-	448.46
(iii) Other financial liabilities	e	706.36	(0.01)	706.35	786.53	(0.02)	786.51
Other current liabilities		2,612.01	2.61	2,614.62	2,788.98	2.62	2,791.60
Provisions		-	-	-	-	-	-
Provisions		-	-	-	-	-	-
<b>Total current liabilities</b>		<b>3,765.70</b>	<b>2.60</b>	<b>3,768.30</b>	<b>4,023.97</b>	<b>2.60</b>	<b>4,026.57</b>
<b>Total equity and liabilities</b>		<b>25,295.62</b>	<b>15,629.33</b>	<b>40,924.95</b>	<b>26,900.88</b>	<b>17,036.63</b>	<b>43,937.51</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**C) Reconciliation of profit for the year ended March 31, 2017**

(Amount in lacs)

	Note	Previous GAAP*	Adjustments	Ind AS
<b>INCOME</b>				
Revenue		515.08	-	515.08
Other income	a	2,626.21	(1,678.32)	947.89
<b>Total Income</b>		<b>3,141.29</b>	<b>(1,678.32)</b>	<b>1,462.97</b>
<b>EXPENDITURE</b>				
Employee benefits expense	c	463.03	-	463.03
Finance expenses	c,e	44.72	2.67	47.39
Depreciation and amortization		131.97	-	131.97
Other expenses	d	1,402.84	86.51	1,489.35
<b>Total Expenses</b>		<b>2,042.56</b>	<b>89.18</b>	<b>2,131.74</b>

(Amount in lacs)

	Note	Previous GAAP*	Adjustments	Ind AS
<b>Profit/(loss) before share of (profit)/loss of joint ventures and associates, exceptional items and tax</b>		<b>1,098.73</b>	<b>(1,767.50)</b>	<b>(668.77)</b>
Share of profit/(loss) of joint ventures and associate			3,008.13	3,008.13
<b>Profit before tax</b>		<b>1,098.73</b>	<b>1,240.63</b>	<b>2,339.36</b>
Current tax				
Current year		127.03	-	127.03
Earlier years		21.20	-	21.20
Deferred tax	f	(296.46)	98.41	(198.05)
MAT entitlement		(55.76)	-	(55.76)
<b>Total tax expense</b>		<b>(203.99)</b>	<b>98.41</b>	<b>(105.58)</b>
<b>Profit for the year</b>		<b>1,302.72</b>	<b>1,142.22</b>	<b>2,444.94</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss (net of tax)</b>				
- Net actuarial gains/(losses) on defined benefit plans	c			-
- Investment in equity instruments measured at fair value		-	611.37	611.37
- Share of other comprehensive income of joint ventures and associate			(41.12)	(41.12)
<b>Other comprehensive income for the year, net of income tax</b>		<b>-</b>	<b>570.25</b>	<b>570.25</b>
<b>Total comprehensive income for the year</b>		<b>1,302.72</b>	<b>1,712.47</b>	<b>3,015.19</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**D) Reconciliation of total equity as at March 31, 2017 and April 1, 2016** (Amount in lacs)

	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP	19,969.35	18,666.63
<b>Adjustments:</b>		
Measurement of investment in joint ventures and associate at equity method	14,923.69	13,762.96
Investment in equity instruments measured at fair value	1,844.82	1,233.45
Recognition of financial assets at fair value	674.85	580.30
Recognition of financial liabilities at amortized cost	0.03	0.03
Unwinding of discount on financial liabilities at amortized cost	12.66	12.72
Recognition of financial assets at amortized cost	(89.00)	(2.49)
Rent equalisation reserve	(25.21)	(25.21)
Deferred rent on amortisation of security deposit	(10.36)	(10.36)
Reversal of excess profit on sale of Mutual funds	(274.73)	-
Deferred tax impact of above adjustments	(43.30)	55.11
<b>Total adjustments</b>	<b>17,013.45</b>	<b>15,606.51</b>
<b>Total equity as per Ind AS</b>	<b>36,982.80</b>	<b>34,273.14</b>



**E) Reconciliation of total comprehensive income for the year ended March 31, 2017** **(Amount in lacs)**

	<b>March 31, 2017</b>
Profit after tax as per previous GAAP	1,302.716
<b>Adjustments:</b>	
Recognition of investment in joint ventures and associate on equity method	1,507.380
Recognition of financial assets at fair value	94.556
Reversal of excess profit on sale of mutual funds	(274.730)
Recognition of financial liabilities at amortised cost	(0.010)
Unwinding of discount on financial liabilities at amortised cost	(0.050)
Recognition of financial assets at amortised cost	(86.510)
Deferred tax impact of above adjustments	(98.414)
<b>Total adjustments</b>	<b>1,142.222</b>
<b>Profit after tax as per Ind AS</b>	<b>2,444.938</b>
<b>Other comprehensive income (net of tax):</b>	
Investment in equity instruments measured at fair value	611.370
Share of other comprehensive income of joint ventures and associate	(41.120)
Actuarial gain on defined benefit plans	-
<b>Total comprehensive income as per Ind AS</b>	<b>3,015.188</b>

**Notes to first-time adoption:**

**(a) Financial assets**

Under Indian GAAP, investment in equity shares, mutual funds and GOI bonds are recorded at cost.

However, under Ind AS 113, certain assets which meet the definition of financial assets are classified as financial assets at fair value. Therefore, such financial assets have been fair valued as per market data. Gain/loss due to fair valuation of investments on the transition date has been adjusted against the retained earnings. Further, financial income on fair valuation during the year ended March 31, 2017 has been credited to the statement of profit and loss.

The effect of the adjustments resulted in increase in the value of financial assets and increase in retained earnings by Rs. 1,347.14 lacs on transition date. During the year ended March 31, 2017, value of financial assets were decreased by Rs 131.57 lacs by corresponding recording of financial income in the statement of profit and loss.

**(b) Financial liabilities**

Under Indian GAAP, liabilities pertaining to security deposits received from customers are recorded at cost.

However, under Ind AS, liabilities in which the Company has a contractual obligation to deliver cash are classified as financial liabilities and recorded at amortized cost. Therefore, such financial liabilities have been discounted to present value since they do not carry any interest. The upfront benefit on transition date due to the discounting has been adjusted against the retained earnings. Further, interest cost on unwinding of discount has been charged off to the statement of profit or loss.

The effect of the adjustments resulted in reduction of the value of financial liabilities by Rs. 2.36 lacs along with corresponding increase in retained earnings as on the transition date. During the year ended March 31, 2017, value of financial liabilities was increased by Rs. 0.06 lacs by corresponding increase in the statement of profit and loss.

**(c) Employee benefits :**

Both under Indian GAAP and Ind-AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit or loss. However, Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in Other Comprehensive Income.

**(d) Loss allowance on Trade receivable**

Under Ind AS, impairment allowance has been determined based on Expected Loss Model (ECL) using the provision matrix as practical expedient. Due to ECL model, the Company has impaired its trade receivable by Rs. 2.49 lacs as on

April 1, 2016 which has been adjusted against retained earnings. The net impact of Rs. 86.21 lacs for the year ended March 31, 2017 has been recognised in statement of profit and loss.

**(e) Borrowings**

Under IGAAP, transaction cost incurred in connection with borrowings are amortised upfront and charged to profit and loss for the period. Under Ind AS, transaction cost are included in the initial recognition amount of the financial liability and charged to profit and loss over the tenure of the loan using the effective interest method. Due to this, the Company has decreased its borrowings by Rs 0.03 lacs as on April 1, 2016 which has been adjusted against retained earnings. The corresponding amortization impact of Rs Nil lacs for the year ended March 31, 2017 has been recognised in statement of profit and loss.

**(f) Deferred taxes**

The above changes increased/(decreased) the deferred tax liability as follows based on a tax rate of 30.90 per cent and long term and short term capital gain tax rate of Rs 20.6% and 30.9% respectively:

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 "Income Taxes" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

The above changes increased/(decreased) the deferred tax asset as follows:

	April 1, 2016	March 31, 2017
Measurement of financial liabilities at amortised cost	(0.74)	0.82
Measurement of investment at fair value	(64.00)	(2.62)
Measurement of assets at amortised cost	0.77	26.64
Rent equalisation reserve	7.79	0.09
	<b>(56.18)</b>	<b>24.93</b>

**(g) Investment in joint venture:**

Under previous GAAP, Group had accounted its interest in the joint ventures in the consolidated financial statements on proportionate consolidation method. On transition to Ind AS the Group has assessed and determined that joint venture has to be accounted for using the equity method as against proportionate consolidation method. For the application of equity method, the initial investment, as at the date of transition, is regarded as a deemed cost and measured as the aggregate of carrying amount of assets and liabilities that the Group had previously proportionately consolidated including any goodwill arising on acquisition.

**(h) Retained earnings :**

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**(i) Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income includes remeasurement of defined benefit plans (net of tax) and gain/loss on Fair Value Through Other Comprehensive Income of equity instruments. Hence, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**(j) Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

**(k) Leasehold land, building on leasehold land as well as building on freehold land that are neither held to earn rentals nor for capital appreciation do not qualify as investment property.**



### 33. Disclosure as per Indian Accounting Standard - 12 on 'Income taxes'

#### (a) Income Tax Expense

i) Income tax recognised in profit or loss	(Amount in lacs)	
	March 31, 2018	March 31, 2017
<b>Current tax expense</b>		
Current year	164.00	127.03
Earlier year tax adjustment	(55.50)	21.20
	<u>108.50</u>	<u>148.23</u>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	1,663.36	(198.05)
MAT credit written off	420.30	(55.76)
	<u>2,083.66</u>	<u>(253.81)</u>
<b>Total income tax expense</b>	<b><u>2,192.16</u></b>	<b><u>(105.58)</u></b>

#### ii) Income tax recognised in other comprehensive income (Amount in lacs)

Particulars	March 31, 2018		
	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	11.50	2.99	8.51
- Investment in equity instruments measured at fair value	53.80	181.73	(127.93)
- Share of other comprehensive income of joint ventures and associate	3.46	-	3.46
	<u>68.76</u>	<u>184.72</u>	<u>(115.96)</u>

Particulars	March 31, 2017		
	Before tax	Tax expense/ (benefit)	Net of tax
- Investment in equity instruments measured at fair value	611.37	-	611.37
- Share of other comprehensive income of joint ventures and associate	(41.12)	-	(41.12)
	<u>570.25</u>	<u>-</u>	<u>570.25</u>

#### iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate (Amount in lacs)

	March 31, 2018	March 31, 2017
<b>Profit before tax</b>	3,727.76	2,339.36
Tax using the Company's domestic tax rate of 30.9% (March 31, 2017 - 30.9%)	1,151.88	803.26
Tax effect of:		
Disallowance u/s 8D	11.34	0.73
Provision for doubtful loan	69.14	-
Dividend on shares exempt u/s 10(34)	(16.21)	456.48
Interest u/s 10(15) on Central Government Stock-PF Securities	(8.20)	(5.85)
Tax rate difference	(83.62)	(198.06)
Earlier year tax adjustment	(55.50)	21.20
Others	(960.33)	(929.52)
<b>At the effective income tax rate of 2.91% (March 31, 2017: 6.45%)</b>	<b><u>108.50</u></b>	<b><u>148.24</u></b>

## 34. Fair Value Measurements

### (a) Financial instruments by category

All the financial assets and liabilities viz. deposits for utilities, trade receivables, cash and cash equivalents, other bank balances, interest receivable, recoverable from employees, trade payables, employee related liabilities and payable for expenses, are measured at amortised cost.

### (b) Fair value hierarchy

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

Level 1: The fair value of financial instruments that are quoted in active markets are determined on the basis of quoted price for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques based on observable market data.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). Fair value of investment in unquoted equity shares is determined using discounted cash flow technique.

There are no transfers between different fair value hierarchy levels in 2016-17, 2017-18.

(Amount in lacs)

Liabilities which are measured at amortised cost for which fair values are disclosed	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Financial liabilities:</b>				
Security deposits received	Carrying value	48.37	34.87	34.87
Security deposits received	Fair Value	32.99	24.96	22.31

The fair values for security deposits received from employees and security deposit for utilities were calculated based on cash flows discounted using a current fixed deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(Amount in lacs)

Financial Assets at fair value through profit or loss	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Financial assets:</b>				
Investment in Mutual Funds	Carrying value	4,575.86	3,702.78	4,195.90
Investment in Mutual Funds	Fair Value	4,836.87	3,828.77	4,545.24

(Amount in lacs)

Financial Assets at fair value through other comprehensive income	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Financial assets:</b>				
Investment In Equity Instruments	Carrying value	87.86	87.86	87.86
Investment In Equity Instruments	Fair Value	2,083.77	2,044.68	2,385.31

## 35.1 Financial Risk Management

In the course of its business, the Company is exposed to a number of financial risks: liquidity risk, credit risk, market risk. This note presents the Company's objectives, policies and processes for managing its financial risk and capital.

### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk encompasses both the direct risk of default and



the risk of deterioration of creditworthiness as well as concentration risks. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

#### Investments

The Company has made investments in tax free long term bonds, deposit with banks, mutual funds etc. Funds are invested in accordance with the Company's established investment policy that includes parameters of safety, liquidity and post tax returns.

#### Trade receivables

The activities of the company primarily include rental income. The invoices raised to customers immediately falls due for payment after the credit period allowed to customers. Refer Note 39 on disclosure on related party transactions with respect to amount outstanding as at reporting date. Credit risk arising from trade receivables is managed in accordance with the Management control and approval procedure. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc.

#### Other financial assets

Other financial assets include employee loans, security deposits etc. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default. The Company's maximum exposure to credit risk for each of the above categories of financial assets is their carrying values as at the reporting dates.

#### (i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	(Amount in Lacs)		
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>			
Long term security deposits	14.77	14.98	14.61
Other long term financial assets	4,877.06	4,802.38	4,475.79
Cash and cash equivalents	1,229.45	118.34	390.85
Other bank balances	200.00	-	200.00
Short term loans & advances	1,971.13	1,760.15	1,464.59
Other short term financial assets	48.61	309.08	378.09
	<b>15,345.95</b>	<b>13,928.86</b>	<b>6,923.93</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>			
Trade receivables	110.51	289.14	250.91
	<b>110.51</b>	<b>289.14</b>	<b>250.91</b>

Based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of any asset as the amount are insignificant.

#### Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Ageing as at March 31, 2018	(Amount in Lacs)							
	Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	360-720 days past due	More than 720 days past due	Total
Gross carrying amount	-	46.92	9.47	31.81	27.04	118.12	200.42	<b>433.78</b>

(Amount in Lacs)

Ageing as at March 31, 2017	Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	360-720 days past due	More than 720 days past due	Total
Gross carrying amount	-	72.10	19.16	35.80	25.99	114.11	110.69	377.85

Ageing as at April 01, 2016	Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	360-720 days past due	More than 720 days past due	Total
Gross carrying amount	-	63.59	19.49	25.01	34.31	93.58	17.43	253.41

**Liquidity risk**

Liquidity risk refers to risk that the Company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled in cash or other financial assets. The Company regularly monitors the rolling forecasts to ensure that sufficient liquidity is maintained on an ongoing basis to meet operational needs. The Company manages the liquidity risk by planning the investments in a manner such that the desired quantum of funds could be made available to meet any of the business requirements within a reasonable period of time. In addition, the Company also maintains flexibility in arranging the funds by maintaining committed credit lines with various banks to meet the obligations.

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

**March 31, 2018**

(Amount in Lacs)

Contractual maturities of financial liabilities	Fair Value	Contractual cash flows		
		Less than one year	Beyond one year	Total
<b>Non-derivative financial liabilities</b>				
Borrowings	356.13	34.40	321.73	356.13
Security deposits received	55.37	-	55.37	55.37
Employee related liabilities	275.26	275.26	-	275.26
Payable for expenses	394.74	394.74	-	394.74
Trade payables	271.62	271.62	-	271.62
	<b>1,353.12</b>	<b>976.02</b>	<b>377.10</b>	<b>1,353.12</b>

**March 31, 2017**

(Amount in Lacs)

Contractual maturities of financial liabilities	Fair Value	Contractual cash flows		
		Less than one year	Beyond one year	Total
<b>Non-derivative financial liabilities</b>				
Borrowings	386.85	30.73	356.12	386.85
Security deposits received	34.28	-	34.28	34.28
Employee related liabilities	283.38	283.38	-	283.38
Payable for expenses	472.40	472.40	-	472.40
Trade payables	448.46	448.46	-	448.46
	<b>1,625.37</b>	<b>1,234.97</b>	<b>390.40</b>	<b>1,625.37</b>



April 1, 2016

(Amount in Lacs)

Contractual maturities of financial liabilities	Fair Value	Contractual cash flows		
		Less than one year	Beyond one year	Total
<b>Non-derivative financial liabilities</b>				
Borrowings	300.14	11.55	288.59	300.14
Security deposits received	31.62	-	31.62	31.62
Employee related liabilities	287.28	287.28	-	287.28
Payable for expenses	407.52	407.52	-	407.52
Trade payables	447.33	447.33	-	447.33
	<b>1,473.89</b>	<b>1,153.68</b>	<b>320.21</b>	<b>1,473.89</b>

### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

### Interest Rate Risk

Interest rate risk refers to risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates. The Company is not exposed to any significant interest rate risk as its investments are primarily in fixed rate instruments. Also, there are no significant borrowings as at the balance sheet date.

### Price Risk

Price risk refers to risk that the fair value of a financial instrument may fluctuate because of the change in the market price. The Company is exposed to the price risk mainly from investment in mutual funds and investment in equity instruments. Investment in mutual funds are made primarily in units of liquid funds and are not exposed to significant price risk.

### Foreign Currency Risk

Foreign currency risk refers to risk that the fair value of future cash flows of an exposure may fluctuate due to change in the foreign exchange rates. The Company is not exposed to foreign currency risk as it is not having any transactions in foreign currency.

## 36. Capital Management

The Company manages its capital to ensure that it will be able to continue as a Going Concern while maximising the return to stakeholders. The Company has minimum dependence on external debts and operates mainly through internal accruals. Capital includes equity share capital and other equity reserves.

The Company determines the amount of capital required on the basis of annual operating plans and other strategic investment plans.

## 37. Corporate Social Responsibility ('CSR')

(i) Gross amount required to be spent by the company during the year Rs Nil (previous year Rs. Nil)

(ii) Amount Spent during the:

	2017-18			2016-17		
	Paid	Paid and yet to be paid	Total	Paid	Paid and yet to be paid	Total
Construction /acquisition of any asset	-	-	-	-	-	-
On purpose other than (i) above	-	-	-	-	-	-

---

## 38. Leases

### Operating Lease

For the year ended March 31, 2018 and year ended March 31, 2017

- (i) The Company has taken various residential and office premises under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms.
- (ii) The aggregate lease rentals payable are charged as rent in Note 30 -"Rent expenses"

## 39 Related Parties Disclosures in accordance with Indian Accounting Standard (Ind AS) 24 of The Institute of Chartered Accountants of India.

### A) Subsidiary Companies % Holdings

- i) Modistone Ltd. (in liquidation) 55.32  
Official Liquidator has taken possession of the Company w.e.f. 25.07.2002- the date of appointment of Official Liquidator by Bombay High Court

### B) Joint Venture

- Gujarat Guardian Ltd. 21.24  
Asahi Modi Materials Pvt. Ltd. 49.00  
Modi Marco Aldany Pvt Ltd 50.00

### C) Associate

Vinura Beverages Pvt. Ltd. (An Associate of a wholly owned subsidiary)

### D) Key Management Personnel:

Mr. Alok Kumar Modi-Managing Director  
Miss Piya Modi-Whole Time Director  
Mr. Sanjeev Kumar Bajpai-Company Secretary  
Mr. Kamal Gupta-Chief Financial Officer (CFO)

### E) Relatives of Key Management Personnel

Mr. Vinay Kumar Modi (Father of Mr. Alok Kumar Modi)  
Mrs. Chander Bala Modi (Mother of Mr. Alok Kumar Modi)  
Mrs. Archana Singhania (Sister of Mr. Alok Kumar Modi)  
Mrs. Ritika Modi (Wife of Mr. Alok Kumar Modi)

### F) Enterprises in which Key Management Personnel and relatives of Key Management Personnel has significant influence

Leaf Investment Pvt. Ltd.  
Mod Fashions and Securities Pvt. Ltd  
Uniglobe Mod Travels Pvt. Ltd  
Uniglobe Travel (South Asia) Pvt. Ltd  
Maple Bear Education Pvt. Ltd.

The following transactions were carried out with related parties in the ordinary course of business during the year:

A) Subsidiaries:	Amount in Lacs 31.03.2018	Amount in Lacs 31.03.2017
i) Receivable at the year end	213.72	Nil
B) Joint Venture:		
i) Expenses recovered	19.91	11.06
ii) Expenses incurred	(36.82)	(17.17)
iii) Income received	120.46	27.44
iv) Dividend received	1,467.40	1,500.75
v) Security deposit received	13.50	-
vi) Receivable/(Payable) at the year end	12.47	23.66



	Amount in Lacs 31.03.2018	Amount in Lacs 31.03.2017
<b>C) Associate:</b>		
i) Income received	Nil	Nil
ii) Expenses incurred on behalf	Nil	Nil
iii) Receivable at the year end	2.26	2.26
<b>D) Key Management Personnel</b>		
i) Remuneration paid	119.65	128.37
ii) Sitting fee	1.02	1.32
<b>E) Others</b>		
i) Expenses recovered	33.26	29.57
ii) Provision for doubtful loan	223.76	-
iii) Expenses incurred	(77.09)	(90.59)
iv) Income received	118.08	66.70
v) Loan taken (given) from / to related parties	(75.00)	(492.50)
vi) Loan repaid	-	215.60
vii) Interest Income Received From loan given	173.01	186.94
viii) Loan payable (Receivable) on balance sheet date	(2,155.41)	(1,724.16)
ix) Interest receivable	-	200.54
x) Payable/(receivable) at the year end	209.75	75.83

40 Due to non availability of technical evaluation of the plant at Modinagar, the value of impairment loss on assets as per Indian Accounting Standard (Ind AS) 36, issued by the Institute of Chartered Accountants of India, has not been ascertained.

## 41 Gratuity and other post-employment benefit plans

Contribution for Employees Benefit:

### Defined Contribution Plans

Provident Fund

State Defined Contribution Plans

- Employees Pension Scheme 1995

#### i Provident Fund

The Employees of the company receive defined contribution for Provident Fund benefit. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the company make monthly contributions at specified percentage of the employee's salary to the concerned Provident Fund Authorities. The company has no liability to Fund the shortfall in the interest over the statutory rate declared by the Government.

The Company has recognized the following amounts in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2018

(Amount in Lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Contribution to Provident Fund	19.07	16.79
Contribution to Employee Pension Scheme 1995	2.61	2.46

ii **Defined benefit plan( Gratuity)**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme of Gratuity Fund Trust, administered and managed by the Independent Board of Trustees. The sections of the Company first makes the payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on the respective employee's salary and the tenure of employment and then gets the reimbursement from it. Vesting occurs upon completion of five years of service. The present value of Defined Benefit Obligation is calculated annually by an independent actuary using the projected unit credit method.

(Amount in Lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Funded Status of the Plan</b>		
Present value of unfunded obligations	-	-
Present value of funded obligations	233.22	120.02
Fair value of plan assets	236.28	145.84
<b>Net Liability (Asset)</b>	<b>(3.06)</b>	<b>(25.82)</b>

(Amount in Lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A Statement of Profit and Loss</b>		
Current service cost	1.08	5.13
Past service cost and loss/(gain) on curtailments and settlement	11.90	-
Net interest cost	(1.73)	(3.79)
<b>Total included in 'Employee Benefit Expense'</b>	<b>11.25</b>	<b>1.34</b>
Expenses deducted from the fund	-	-
<b>Total Charge to P&amp;L</b>	<b>11.25</b>	<b>1.34</b>
<b>Other Comprehensive Income</b>		
Due to Change in financial assumptions	(28.96)	2.93
Due to Change in demographic assumption	-	-
Due to experience adjustments	148.92	(11.88)
Return on plan assets excluding amounts included in interest income	(108.45)	(7.87)
<b>Amounts recognized in Other Comprehensive Income</b>	<b>11.51</b>	<b>(16.82)</b>

(Amount in Lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>B Reconciliation of Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	120.02	129.32
Current service cost	1.08	5.13
Interest cost	6.13	7.79
Actuarial loss / (gain) due to change in financial assumptions	(28.96)	2.93
Actuarial loss / (gain) due to experience assumptions	148.92	(11.88)
Past Service Cost	11.90	-
Benefits Paid	(25.86)	(13.28)
Benefits Payable	-	-
<b>Closing Defined Benefit Obligation</b>	<b>233.23</b>	<b>120.01</b>



(Amount in Lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>C Reconciliation of Plan Assets</b>		
Opening Value of Plan Assets	145.84	127.24
Expenses deducted from the fund	-	-
Interest Income	7.85	11.58
Return on plan assets excluding amounts included in interest income	108.45	7.87
Contributions by employer	-	12.43
Benefits paid	(25.86)	(13.28)
<b>Closing Value of Plan Assets</b>	<b>236.28</b>	<b>145.84</b>

(Amount in Lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>D Principle Actuarial Assumptions</b>		
Discount Rate	7.10%	6.55%
Salary Growth Rate	7.00%	5.25%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Rate of return on Plan Assets	-	-

(Amount in Lacs)

Particulars	Cashflows	Distribution (%)
<b>E Expected cash flows based on past service liability</b>		
The following payments are maturity profile of Defined Benefit Obligation:		
2019	83.26	52.10%
2020	20.81	13.10%
2021	7.46	4.70%
2022	13.63	8.50%
2023	10.23	6.40%
2024-2028	13.21	8.30%

(Amount in Lacs)

Particulars	Amount of DBO	Change in DBO (%)
<b>F Sensitivity to key assumptions</b>		
<b>Discount rate varied by 0.5%</b>		
0.50%	262.90	12.73%
-0.50%	265.34	13.77%
<b>Salary growth rate varied by 0.5%</b>		
0.50%	265.49	13.84%
-0.50%	263.10	12.81%
<b>Withdrawal rate varied by 0.5%</b>		
W.R * 110%	264.18	13.28%
W.R * 90%	264.00	13.20%

**A description of methods used for sensitivity analysis and Limitations:**

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

(Amount in Lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>42 Expenditure in foreign currency:-</b>		
Travelling expenses	49.4	84.16

(Amount in Lacs)

43 Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Contingent Liabilities</b>		
Guarantees/Bonds (Unconfirmed)	1,656.25	1,886.25
Excise /Customs /DGFT Matters	1,020.86	1,092.14
Unsecured Creditors	1,873.16	3,608.80
Workers and Employees	1,483.26	1,244.61
Income Tax Act	1,827.50	1,743.54
Others	1,637.50	1,637.50
<b>TOTAL</b>	<b>9,498.53</b>	<b>11,212.84</b>

**Note 1** - In view of large number of cases, it is not practicable to disclose individual details. Above amounts are affected by numerous uncertainties and timing of economic benefit outflow will depend upon timing of decision of these cases.

**Note 2** - On the basis of current status of individual case and as per legal advise obtained by the Company, wherever applicable. The Company is confident of winning the above cases and is of the view that no further provision required in respect of these cases.

- 44** Post sanction of Rehabilitation Scheme under the provisions of SICA by BIFR on 21.04.2008, the Company had given full effect of the scheme from cut off date in the books of accounts assuming that the relief and concessions as given to the company in the scheme would be accepted by all the concerned parties/creditors.
- 45** BIFR vide its order dated 23.02.2010 discharged the company from the purview of SICA/ BIFR upon turning net worth positive as at 31.03.2009, with the direction that the unimplemented portion of rehabilitation scheme (SS08) for the unexpired period of the Scheme would be implemented by the concerned agencies and their implementation would be monitored by the company. Some of the authorities/parties have not accepted terms of settlement and relief & concessions as provided in SS08. The Company has filed a status report on the unimplemented portion of the Rehabilitation Scheme as at September 30th, 2016 with BIFR on 20/10/2016. Further Government of India (GOI) vide its Gazette notification dated 25/11/2016 repealed SICA w.e.f 01/12/2016 by passing the Sick Industrial Companies (Special provisions) Repeal Act, 2003. All proceedings pending in BIFR/ AAFIR would now stand abated and a time period of 180 days have been given to all applicants to approach National Company Law Tribunal (NCLT) and to get appropriate relief under Insolvency and Bankruptcy Code, 2016. Further all schemes sanctioned by BIFR are saved and would continue to be enforceable by NCLT.
- 46** Land & Building at Modi Tyre Factory (MTF), Modinagar is on perpetual lease taken from Modi Export Processors Ltd. (MEPL) which has been liquidated by the order of Hon'ble Allahabad High Court. Pursuant to Allahabad High Court Order possession of the MTF is with the Official Liquidator of MEPL. Company has taken appropriate legal recourse for getting possession back of MTF from Official Liquidator for carrying out industrial activities in terms of BIFR Order dated 21.04.2008. After possession, Company shall take necessary steps as required
- 47** Expenses and claims relating to previous year adjusted in respective accounts not separately shown are Rs. Nil Lacs [previous year Rs. 4.64 Lacs].
- 48** The Company's operations comprise only one segment i.e. Automobile Tyres, Tubes & Flaps and therefore there is no other business / geographical segments to be reported as required under Accounting Standard (AS-17) of the The Institute of Chartered Accountants of India.



- 49 During the previous year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in Lacs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	4.64	1.24	5.88
+ Permitted receipts (withdrawal from banks)	-	7.16	7.16
- Permitted payments	0.41	3.92	4.33
- Amount deposited in banks	4.23	0	4.23
Closing cash in hand as on December 30, 2016	-	4.48	4.48

- 50 Exceptional items consist of Rs 2,116.80 lacs being profit on sale of 3,232,000 equity shares held in Xerox India Limited by the Group sold @ Rs 80 per equity share pursuant to Share Purchase Agreement with Xerox Investments Europe B.V. dated 24 July 2017.
- 51 Previous year figures have been regrouped/ reclassified wherever necessary, to conform to this year's classification
- 52 **Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies**
- i As required under Schedule III to the Companies Act, 2013:-

Name of the Enterprise	Net Assets i.e. Total assets minus total liabilities (As At March 31, 2018)		Share in total comprehensive income* Year ended March 31, 2018	
	As % of consolidated net assets	Amount (Rs. Lacs)	As % of Consolidated Profit or loss	Amount (Rs. Lacs)
<b>A. Parent</b>				
Modi Rubber Limited	26.31%	10,682.47	-121.92%	(1,730.83)
<b>B. Subsidiaries</b>				
Spin Investment (India) Limited	19.60%	7,959.18	-3.96%	(56.16)
Superior Investment (India) Limited	1.63%	660.24	6.71%	95.29
<b>Total B</b>	<b>21.23%</b>	<b>8,619.42</b>	<b>2.76%</b>	<b>39.13</b>
<b>C. Joint Ventures</b>				
Asahi Modi Material Pvt. Ltd	3.78%	1,534.21	6.12%	86.87
Gujarat Guardian Ltd.	48.14%	19,550.23	213.84%	3,035.81
Modi Marco Aldany Pvt Ltd	0.47%	189.55	-0.88%	(12.43)
<b>Total C</b>	<b>52.39%</b>	<b>21,273.99</b>	<b>219.09%</b>	<b>3,110.26</b>
<b>D. Associate</b>				
Vinura Beverages Private Limited	0.08%	31.89	0.08%	1.08
<b>Total (A+B+C+D)</b>	<b>100.00%</b>	<b>40,607.77</b>	<b>100.00%</b>	<b>1,419.64</b>

\* After adjusting intercompany transaction(s)

- ii Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

**PART "A": SUBSIDIARIES**

**(Amount in Lacs)**

S. No.	Particulars		
1	Serial Number	1	2
2	Name of Subsidiary	Spin Investment (India) Ltd.	Superior Investment (India) Ltd.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.
5	Share capital	29.92	29.92
6	Reserves & surplus	7,959.18	660.24
7	Total assets	7,900.88	729.43
8	Total Liabilities	1.70	39.27
9	Investments	5,415.97	724.77
10	Turnover	347.96	47.37
11	Profit/ (Loss) before taxation	36.35	122.99
12	Provision for taxation	92.51	27.70
13	Profit/ (Loss) after taxation	(56.16)	95.29
14	Proposed Dividend	Nil	Nil
15	% of shareholding	100%	100%

\*Consolidated amounts including associate company

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Arrangements

**PART "B": Joint Venture & Associates**

**(Amount in lacs)**

S. No.	Particulars				
1	Name of Associates/ Joint Ventures	Asahi Modi Materials Private Limited	Gujarat Guardian Limited	Modi Marco Aldany Private Limited	Vinura Beverages Private Limited
2	Latest audited Balance Sheet date	31/03/2018	31/03/2018	31/03/2018	31/03/2018
3	Shares of Associate/ Joint Ventures held by the company at the year end				
	i) No. of shares (in numbers)	14,700,000	33,350,000	2,020,034	299,900
	ii) Amount of investment in Associates/ Joint Venture	1,470.00	3,335.00	202.00	29.99
	iii) Extent of Holding (%)	49%	21.24%	50%	49.98%
4	Description of how there is significant influence	Due to Joint control and % of share capital/ voting power	Due to Joint control and % of share capital/ voting power	Due to Joint control and % of share capital/ voting power	Due to significant influence and % of share capital/ voting power
5	Reason why the associate/ joint venture is not consolidated	NA	NA	NA	NA
6	Net worth attributable to shareholding as per latest audited Balance Sheet	1,340.01	19,550.23	160.06	(110.28)
7	Profit/ (Loss) for the year				
	i) Considered in Consolidation	86.87	3,035.81	(12.43)	1.08
	ii) Not Considered in Consolidation	90.42	11,255.80	(71.17)	1.09



## 53 Interest in joint venture and associates

The Group has a 49% interest in Asahi Modi Materials Private Limited, a joint venture involved in the manufacture of Resin Coated Sand in India.

The Group has a 21.24% interest in Gujarat Guardian Limited, a joint venture involved in the production of float glass and mirror.

The Group has a 50% interest in Modi Marco Aldany Private Limited, a joint venture involved in the operating of salon outlets (company owned and franchisee owned outlets), training academy and sale of beauty products.

The Group has a 49.98% interest in Vinura Beverages Private Limited, an associate involved in the trading of beverages.

The Group's interest in the above joint ventures and associate is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint ventures (based on its Ind AS financial statements) and associate (based on its AS financial statements) and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

### Summarised balance sheet:

(Amount in Lacs)

Particulars	Asahi Modi Materials Private Limited			Gujarat Guardian Limited			Modi Marco Aldany Private Limited			Vinura Beverages Private Limited		
	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-18	31-Mar-17	1-Apr-16
Non-current assets	1,879.25	2,122.97	2,286.93	73,320.48	55,321.35	51,843.45	306.74	-	-	0.21	0.43	0.85
Current assets	1,524.78	875.05	798.60	36,099.23	44,100.87	40,834.56	163.74	-	-	43.11	38.10	35.91
Non-current liabilities	(27.81)	(42.87)	(58.86)	(4,931.25)	(3,670.63)	(3,727.92)	(4.04)	-	-	-	-	-
Current liabilities	(641.51)	(397.73)	(422.99)	(12,452.41)	(9,692.81)	(8,458.54)	(47.76)	-	-	263.94	261.33	261.21
Equity	2,734.71	2,557.42	2,603.68	92,036.05	86,058.78	80,491.55	418.68	-	-	(220.62)	(222.80)	(224.45)
Share application money pending allotment	-	-	-	-	-	-	(98.56)	-	-	-	-	-
<b>Net assets excluding share application money pending allotment</b>	<b>2,734.71</b>	<b>2,557.42</b>	<b>2,603.68</b>	<b>92,036.05</b>	<b>86,058.78</b>	<b>80,491.55</b>	<b>320.12</b>	<b>-</b>	<b>-</b>	<b>(220.62)</b>	<b>(222.80)</b>	<b>(224.45)</b>
Proportion of the Group's ownership	49.00%	49.00%	49.00%	21.24%	21.24%	21.24%	50.00%	N/A	N/A	49.98%	49.98%	49.98%
Group's share in net assets	1,340.01	1,253.14	1,275.80	19,550.23	18,280.55	17,097.96	160.06	N/A	N/A	(110.28)	(111.36)	(112.19)
Goodwill	194.20	194.20	194.20	-	-	-	29.49	-	-	29.99	29.99	29.99
Carrying amount of the investment	1,534.21	1,447.33	1,470.00	19,550.23	18,280.55	17,097.96	189.55	-	-	31.89	30.81	29.99

**Summarised statement of profit and loss:**
**(Amount in Lacs)**

Particulars	Asahi Modi Materials Private Limited		Gujarat Guardian Limited		Modi Marco Aldany Private Limited		Vinura Beverages Private Limited	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Revenue	2,551.92	1,509.75	70,429.79	73,054.21	31.20	-	-	-
Other income	17.12	20.00	4,823.41	4,222.36	1.68	-	2.65	2.72
Excise duty on sales	(61.03)	(167.98)	(1,777.40)	(7,220.89)	-	-	-	-
Cost of raw materials and components consumed	(1,100.31)	(614.32)	(19,851.28)	(20,032.05)	-	-	-	-
Purchase of stock in trade	-	-	(1,271.28)	(482.27)	(2.33)	-	-	-
Changes in inventories of stock in trade/finished goods	(9.30)	18.91	(1,373.24)	1,469.64	1.93	-	-	-
Depreciation & amortization	(313.45)	(314.00)	(1,970.56)	(2,012.25)	(7.20)	-	(0.22)	(0.15)
Finance cost	(0.16)	(2.81)	(102.54)	(79.69)	(0.25)	-	(0.01)	-
Employee benefit	(177.49)	(138.94)	(5,349.51)	(4,628.31)	(46.57)	-	-	-
Other expense	(741.92)	(391.93)	(24,101.21)	(24,384.62)	(90.98)	-	(0.25)	(0.92)
<b>Profit before tax</b>	<b>165.38</b>	<b>(81.32)</b>	<b>19,456.18</b>	<b>19,906.13</b>	<b>(112.52)</b>	-	<b>2.17</b>	<b>1.65</b>
Income tax expense	12.49	35.19	(5,182.16)	(5,642.30)	28.92	-	-	-
Profit for the year	<b>177.87</b>	<b>(46.13)</b>	<b>14,274.02</b>	<b>14,263.83</b>	<b>(83.60)</b>	-	<b>2.17</b>	<b>1.65</b>
Other comprehensive income	(0.58)	(0.13)	17.59	(193.29)	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>177.29</b>	<b>(46.26)</b>	<b>14,291.61</b>	<b>14,070.54</b>	<b>(83.60)</b>	-	<b>2.17</b>	<b>1.65</b>
<b>Group's share of profit for the year</b>	<b>87.16</b>	<b>(22.60)</b>	<b>3,032.08</b>	<b>3,029.91</b>	<b>(12.43)</b>	-	<b>1.08</b>	<b>0.82</b>
<b>Group's share of other comprehensive income</b>	<b>(0.28)</b>	<b>(0.06)</b>	<b>3.74</b>	<b>(41.06)</b>	-	-	-	-

**Contingent liabilities and commitments in respect of joint ventures**
**(Amount in Lacs)**

Particulars	31-Mar-18	31-Mar-17
Claims made by workmen	75.58	54.74
Disputed Income Tax Matters	3983.72	3936.53
Sales Tax	67.57	29.22
Disputed Excise Matters	2477.05	2284.78
Demand raised by GIDC towards Infrastructure fund	161.50	161.86
Pending Labour case before High Court	Not Ascertainable	Not Ascertainable
Guarantee given by bank on behalf of the Company	2465.25	2208.62
Capital Commitments-Estimated value of contracts in capital account remaining to be executed & not provided for Tangible Assets	28.33	27936.08

The accompanying notes 1 to 53 form an integral part of these financial statements.

As per our Report Attached For Suresh Surana & Associates LLP (Firm Registration No. 121750W/W-100010) Chartered Accountants	Alok Modi (DIN: 00174374) Managing Director	S.K. Bajpai (ACS: 10110) Head-Legal & Company Secretary
Rahul Singhal Partner (M.No. 096570)	Amrit Kapur (DIN: 00508710) K.S. Bains (DIN: 01444259) Arvind Nath Seth (DIN: 00464893) Piya Modi (DIN: 03623417) Directors	Kamal Gupta Chief Financial Officer
Place : New Delhi Date : 13 <sup>th</sup> August, 2018		



## MODI RUBBER LIMITED

(CIN: L25199UP1971PLC003392)

**Registered Office:** Modinagar-201204, Ghaziabad Uttar Pradesh, India.

**Head Office:** 4-7C, DDA Shopping Center New Friends Colony New Delhi-110 025

**Website :** [www.modirubberlimited.com](http://www.modirubberlimited.com), **Email :** [investors@modigroup.net](mailto:investors@modigroup.net), **Phone No:** +91-11-47109398

Date: August 13, 2018

Name of the Shareholder	
Folio Number	
Address of the Shareholder	

### Sub.: Details of PAN / Bank Account / E-mail id – 1<sup>st</sup> Reminder

Dear Sir,

Pursuant to the SEBI Circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 and our letter dated June 25, 2018, you are requested to kindly provide us the following as per the attached format within 21 days from the date of this letter at our Head Office at 4-7C, DDA Shopping Center, New Friends Colony, New Delhi-110 025 :-

1. Your PAN Card Number along with a self-attested copy of the PAN Card.
2. Bank Account details along with original cancelled cheque leaf / attested bank passbook showing the name of the shareholder.
3. Your e-mail id for prompt future communication.

In case you are a resident of Sikkim, instead of PAN Card, kindly provide us your valid identity proof issued by Government and attested by you.

In case of joint shareholders, kindly provide us the details of the joint holder who is higher in the order of names (First Holder).

Those who have provided the aforesaid details, may kindly ignore.

#### **Important note:**

Kindly note that SEBI, vide its Notification dated June 8, 2018 has mandated that with effect from December 05, 2018, in all the listed companies, only Dematerialized securities will be allowed to be transferred except for transmission or transposition of securities. The Company will not be allowed to undertake any physical transfers, thereafter. Accordingly, you are requested that during this transitional period, kindly convert your scrips in Demat mode.

Thanking you,

Yours faithfully,

**for MODI RUBBER LIMITED**

**S.K. Bajpai**

Head-Legal & Company Secretary

Encl. As Above

---

To  
The Company Secretary,  
**MODI RUBBER LIMITED**  
(CIN: L25199UP1971PLC003392)  
**Head Office:** 4-7C, DDA Shopping Center,  
New Friends Colony, New Delhi-110 025

**Sub.: Details of PAN / Bank Account / E-mail id**

Dear Sir,

This has reference to your letter dated August 13, 2018 on the captioned subject. In this regard, please find below the required details:-

Name of the Shareholder (In Block Letters)	
Registered Folio No.	
*Permanent Account Number (PAN)/ **Number of valid identity proof issued by Government	
***Bank Account Number	
Name as per Bank Record	
Name of the Bank	
Address of the Bank	
IFSC Code	
E-Mail Id for correspondence	

\* self-attested copy of the PAN Card attached.

\*\* only in case of resident of Sikkim. Self-attested copy attached.

\*\*\* original cancelled cheque leaf/self-attested bank passbook showing the name of the account holder is attached.

I/We hereby confirm that the aforesaid details are true and correct.

---

Signature of the Shareholder

## Modi Rubber Limited

(CIN: L25199UP1971PLC003392)

**Registered Office:** Modinagar-201204, Ghaziabad Uttar Pradesh, India.

**Head Office:** 4-7C, DDA Shopping Center New Friends Colony New Delhi-110 025

**Website:** [www.modirubberlimited.com](http://www.modirubberlimited.com), **Email:** [investors@modigroup.net](mailto:investors@modigroup.net), Phone No: +91-11-47109398

### Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014-Form No. MGT-11]

Folio/DP ID - Client ID No*	:
Name of the member(s) & Registered address	:
E-mail Id	:

\*Applicable for the member(s) holding shares in Electronic Form.

I/We, being the member (s) of ..... shares of the Modi Rubber Limited company, hereby appoint

- |                                       |                                                     |
|---------------------------------------|-----------------------------------------------------|
| 1. Name.....<br>Address.....<br>..... | E-mail-id .....<br><br>Signature.....or failing him |
| 2. Name.....<br>Address.....<br>..... | E-mail-id .....<br><br>Signature.....or failing him |
| 3. Name.....<br>Address.....<br>..... | E-mail-id .....<br><br>Signature.....               |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 45<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, September 28, 2018 11:30 am at Auditorium, Dayawati Modi Public School, Modinagar-201204 (U.P) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
<b>Ordinary Business</b>	
1.	To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors ('the Board') and auditors thereon.
2.	
3.	To ratify the appointment of the Auditors and fix their remuneration.
<b>Special Business</b>	

Signed this..... day of.....2018.

Signature of the Member.....

Signature of the Proxy holder(s).....

Affix Revenue Stamp of Re.1/-
----------------------------------------

**Notes:**

1. 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.
2. This Form of Proxy shall be signed by the member or his duly authorised attorney, or if the member is a body corporate, it shall be duly sealed and signed by an officer or an attorney. The Proxy Form which is unstamped or inadequately stamped or where the stamp has not been cancelled or is undated or which does not state the name of the Proxy shall not be considered valid.
3. Proxy need not be a member of the Company. Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as 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 proxy for any other member
4. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting. If both member and proxy attend the meeting, the proxy shall stand automatically revoked.

*If undelivered please return to :*

**MODI RUBBER LIMITED**  
4-7C, DDA Shopping Centre,  
New Friends Colony  
New Delhi-110025