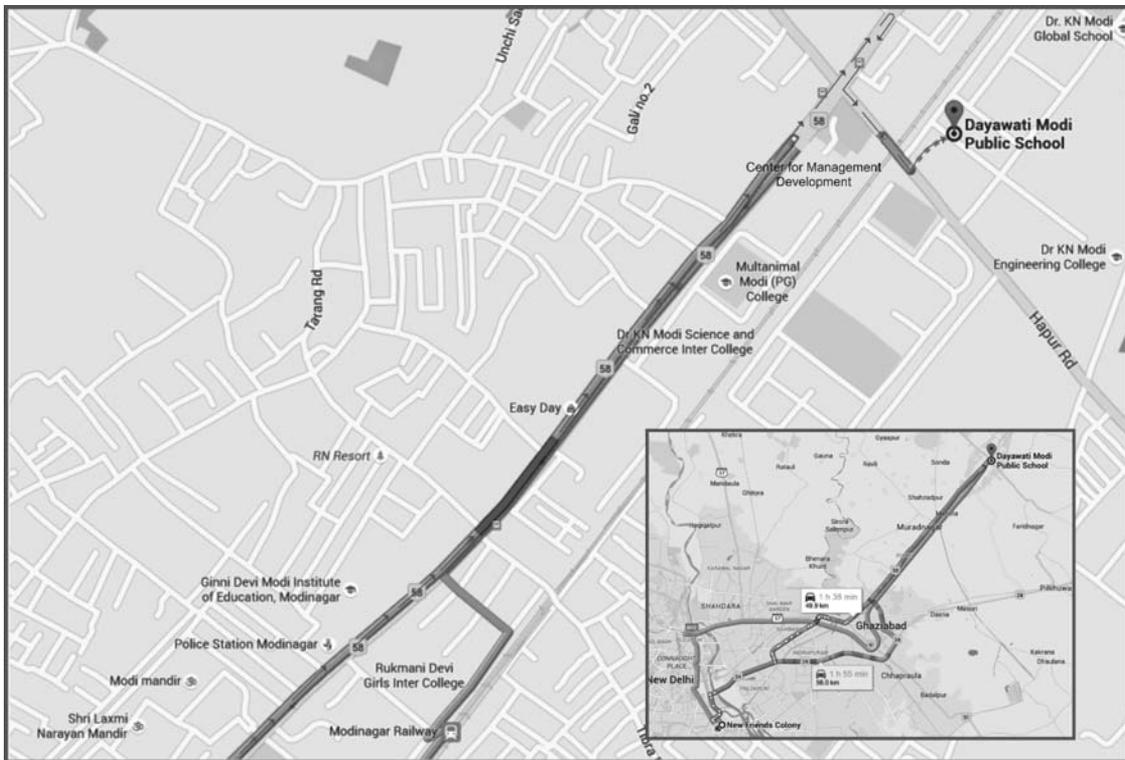




Modi Rubber Limited

44TH ANNUAL REPORT 2016-2017

ROUTE MAP OF 44TH 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

Neeraj Sharma
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
Messrs PDM and Company
Chartered Accountants
B-61, Flatted Factory Complex
Jhandewalan, New Delhi-110 055

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

44th Annual General Meeting

| | |
|-------------------|--|
| Date | : September 28, 2017 |
| Day | : Thursday |
| Time | : 11:30 A.M |
| Place | : Auditorium, Dayawati Modi Public School, Modinagar |
| Book Closure Date | : 22 nd September, 2017 to 28 th September, 2017 (both days inclusive) |

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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/.7 –C DDA Shopping Center New Friends Colony New Delhi-110 025

Website : www.modirubberlimited.com, Email : investors@modigroup.net, Phone No: +91-11-47107398

NOTICE

Notice is hereby given that the 44th Annual General Meeting of the members of **Modi Rubber Limited** (“the Company”) will be held on Thursday the September 28th, 2017 at 11:30 am at Auditorium, Dayawati Modi Public School, Modinagar-201204 (U.P) to transact the following businesses:

ORDINARY BUSINESSES:

- To consider and adopt:
 - The Audited Financial Statement of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon; and
 - The consolidated audited financial statement of the Company for the financial year ended March 31, 2017.
- To appoint a Director in place of Ms. Piya Modi (DIN: 03623417) who has consented to retire by rotation for compliance with the requirements of Section 152 of the Companies Act, 2013, and being eligible, offers herself for re-appointment.
- To appoint the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 49th Annual General Meeting and to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, M/s. Suresh Surana & Associates LLP, Chartered Accountants, with registration number 121750W/W-100010 be and are hereby appointed as the Statutory Auditors of the Company in place of M/s PDM & Company, Chartered Accountants, to hold Office from the conclusion of the 44th Annual General Meeting till the conclusion of the Forty Ninth Annual General Meeting and subject to ratification of appointment at every Annual General Meeting, at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. Suresh Surana & Associates LLP, Chartered Accountants plus applicable taxes and out-of-pocket expenses, in connection with the work of audit to be carried out by them.”

SPECIAL BUSINESSES:

- To Re-appoint Ms. Piya Modi (DIN 03623417) as Whole Time Director for a term of five years and in this regard 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 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and pursuant to Article 109 and other applicable Article of the Articles of Association of the Company, the consent of the Company be and is hereby accorded for re-appointment of Ms. Piya Modi (DIN: 03623417), as Whole-Time Director of the Company for a further period of five years commencing from 01.10. 2017 on such terms and conditions and

payment of remuneration and other perquisites/benefits as are set out in the Explanatory Statement annexed to this notice with an authority to the Board of Directors of the Company to vary and alter such terms and conditions including remuneration in accordance with Schedule-V of the Companies Act, 2013 or any amendment or re-enactment thereof and/or any rules/regulations framed thereunder but not exceeding the limits specified under section-II of Part-II of Schedule-V of the Companies Act, 2013 by making such compliance as provided in the said schedule due to inadequacy of profits in the financial year.

- To appoint Mr. Arvind Nath Seth (DIN-00464893), 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. Arvind Nath Seth (DIN-00464893)**, who was appointed as an Additional Director of the Company with effect from 29th May, 2017 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 five consecutive years commencing from 29th May, 2017.”

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

Place : New Delhi
Date : August 18, 2017

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

NOTES:

- 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.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 22.09.2017 to 28.09.2017 (both days inclusive).
- 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 the Company’s Registered Office at-least 48 hours before the time fixed for the meeting.
- 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 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 members facility to exercise their right to vote at the 44th 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).

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 with a copy marked to 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 24th September, 2017 (9:00 am) and ends on 27th September, 2017 (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 21st September, 2017, 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 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 21/09/2017.
- 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. 21/09/2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or 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 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 and on the website of NDSL within two (2) days of passing of the resolutions at the AGM of the Company.
 - Members may also note that the Notice of the 44th Annual general meeting of the Company and the Annual report 2017 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 head 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 registers their e-mail address with the Company or with the Depository. Members who have not registers 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 form 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) 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.
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 Head Office,

or at our e-mail ID: 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 20th September 2017 upto the date of the AGM.

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

Place : New Delhi
Date : August 18, 2017

(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. 4

As per the Article 110 (1) of Articles of Association of the Company, Ms. Piya Modi, Whole Time Director, while holding office as Whole Time Director shall not be subject to retirement by rotation. As per section 6 of the Companies Act, 2013 the provisions of the Act will have effect notwithstanding anything to the contrary contained in the Articles of Association of the Company. For the purpose of compliance with section 152 of the Companies Act, 2013 and for determining the director liable to retire by rotation, the Board at its meeting held on 18.08.2017, decided that Ms. Piya Modi, being longest in office, to retire by rotation at the ensuing annual general meeting of the Company. Accordingly, the Board noted that Ms. Piya Modi, Whole Time Director shall be the director liable to retire by rotation and being eligible, has offered herself for re-appointment.

Ms. Piya Modi was appointed as Whole Time Director of the Company on October 01st, 2014 for a term of three years and the present term of Ms. Piya Modi as Whole Time Director of the Company will expire by efflux of time on September 30th, 2017.

The Board of Directors at its meeting held on August 18, 2017, have re-appointed Ms. Piya Modi as Whole Time Director of the Company, as recommended by the Nomination and Remuneration Committee for a further period of Five years, commencing from October 1st, 2017 and upto September 30, 2022 subject to necessary approvals.

The terms and conditions of her re-appointment and remuneration are as follows:-

1. Basic Salary and perquisites not to exceed Rs. 40 Lacs p.a.
2. Following Perquisites will also be within the above monetary limits.

Part- A

She will be reimbursed towards expenses incurred for self and family for medical expenses/Leave Travel concession incurred in India.

Part- B

- (i) Company's contribution to Provident Fund as per rules of the Company.
- (ii) Encashment of leave- Encashment of leaves as per the rules of the Company.

Part- C

- (i) Use of Car for Company's business.
- (ii) Free telephone facility



Information required under SEBI(LODR), 2015 in respect of resolution No. 4 is given below:-

| Particulars | |
|--|---|
| Age (In years) | 26 |
| Qualification | Graduate |
| Expertise in specific functional areas | 5 Years in Management & Administration |
| Date of appointment on the Board of the Company as Whole Time Director | 1 st October, 2014 |
| Names of the Companies in which Directorships held | 1. Maple Bear Education Private Limited 2. Modi Rubber Limited |
| Names of other Companies in which Committee Membership/Chairmanship held | NIL |
| No. of shares held | NIL |

Item Nos. 5

Nomination & Remuneration Committee in its meeting held on 18/08/2017, recommends appointment of Mr. Seth as Additional Independent Director(Non-Executive) for period of Five Years. Thereafter the Board of Directors of the Company in its meeting held on 18/08/2017 have appointed Mr. Arvind Nath Seth as an Additional Independent Director(Non-Executive) of the Company to hold office for a period of five 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. Seth holds office till the date 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. Seth as a Director of the Company. The Company has also received a declaration from Mr. Seth confirming that he meets the criteria for independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mr. Seth 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. Seth 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. Mr. Seth has very vast experience of more than 40 years of management and holding directorship on various company which are

engaged in the business of international trade, real estate(residential and commercial), education, agriculture farms and distribution.

Besides business activities Mr. Seth is also involved in various philanthropic, charitable and social activities for welfare of society . presently he is serving as Member of the board of Western UP Chamber of Commerce and Industry

A letter of his appointment as Independent Director given terms and conditions of his appointment as Independent Director is available for inspection by the Members at the head office of the Company during business hours on any working day and is also available on the website of the Company www.modirubberlimited.com

Mr. Seth 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. Seth and his relatives, are in any way, concerned or interested in the said resolution. The resolution as set out in item No. 5 of this Notice is accordingly recommended for your approval.

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

Place : New Delhi
Date : August 18, 2017

(Sanjeev Kumar Bajpai)
Head-Legal & Company Secretary
Membership Number- A10110
Address: 4-7C, DDA Shopping Centre
New Friends Colony, New Delhi-110025.
(CIN: L25199UP1971PLC003392)
Registered Office: Modinagar- 201204
Website: www.modirubberlimited.com

Information required under SEBI(LODR), 2015 in respect of resolution No. 5 is given below:-

| Particulars | |
|--|---|
| Age (In years) | 70 |
| Qualification | Graduate |
| Expertise in specific functional areas | Management and Administration |
| Date of appointment on the Board of the Company as Independent Director | 27 th May 2017 |
| Names of the Companies in which Directorships held | 1. Apex realcon private limited 2. Meerut proptech private limited 3. Modi Rubber limited 4. Tirupati multiplex private limited 5. The western u.p. Chamber of commerce and industry 6. Apex propmart private limited 7. Apex estate country club private limited 8. Meerut district cricket association Meerut 9. Federation of U P chambers of comm.and industry 10. Fragrance investments private limited |
| Names of other Companies in which Committee Membership/ Chairman-ship held | NIL |
| No. of shares held | NIL |

DIRECTORS' REPORT

Your Directors have pleasure in sharing with you the 44th Annual Report on the business and operations of the Company, along with the audited financial accounts for the financial year ended March 31, 2017.

IMPLEMENTATION STATUS OF BIFR SCHEME

Your Company was discharged by BIFR vide its order dated 23.02.2010 which states as under "The unimplemented provisions of the SS-08 for the unexpired period for the scheme would be implemented by the concerned agencies and their implementation would be monitored by the Company". Further BIFR in a miscellaneous application No.501/2013 filed by the Company had clarified that no period for scheme was mentioned in SS-08 and unimplemented provisions of the sanctioned scheme are binding on all the parties. In terms of said BIFR's order dated 23.02.2010, your Company continue to implement the unimplemented provisions of the SS-08.

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 wherever possible to put them to generate revenue.
- 3) Your company is also exploring additional avenues of investment in new projects in joint ventures.

FINANCIAL RESULTS

During the year under review, your company has recorded a net profit after tax Rs 711.40 Lacs as compared to Rs 522.86 Lacs in previous year on total income of Rs 2411.95 Lacs as compared to 2336.47 Lacs 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

Your Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements as set out by SEBI.

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

According to section 149 and other applicable provisions of the Companies Act, 2013, your Board is seeking reappointment of Ms. Piya Modi as Whole Time Director of the Company for a term of 5 years i.e. up to September 30, 2022.

Board of Directors of the Company have appointed Mr. Arvind Nath Seth as an Additional Director (Independent and Non-Executive) of the Company to hold office for a period of five 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, 2017, 4 (four) 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 received declarations from the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both 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 formulated a policy on performance evaluation of the Directors, Board and its Committees and other individual Directors which shall be 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.

On the basis of policy for performance evaluation of Independent Directors, Board, Committees and other individual directors, a process of evaluation was carried out.

The Company make presentations to the Board of Directors in order to familiarize them with their roles, rights, responsibilities in the Company, nature of the Industry in which it operates, Business models of the Company and related matters. Details of such presentations are available on company's website.

SUBSIDIARIES / JOINT VENTURES/ ASSOCIATE COMPANIES

The performance and financial information of the subsidiary / Joint Ventures / Associate Companies is disclosed in the Consolidated Financial Statement for the financial year ended March 31, 2017.

CONSOLIDATED FINANCIAL STATEMENT

Pursuant to the provisions of the Companies Act, 2013 read with Regulation 33 of SEBI (LODR) 2015 and Accounting Standard AS-21 on Consolidated Financial Statement, AS-23 on Accounting for Investments in Associates and AS-27 on financial reporting of interests in joint ventures, the consolidated audited financial statement for the year ended March 31, 2017 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, 2017, the applicable Accounting Standards read 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 pursuant to give a true and fair view of the state of affairs of the Company as at March 31, 2017 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, 2017 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 including financial statements. 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 there were no profit from the operations hence company did not undertake any initiative.

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/ arraignment/ transitions 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 Section 139(2) of the Companies Act, 2013, a statutory auditor of the company can remain the statutory auditors of the company for a consecutive two term of five years each. However a further grace period of three years to rotate the existing statutory auditors for the companies incorporated prior to 1st April 2014 was also provided under the Act.

Consequent to the above provisions, the existing statutory auditors M/s PDM and Company, Chartered Accountants, of the company will retire from the office of the auditors at the conclusion of the ensuing 44th Annual General Meeting of the Company and are not eligible for further reappointment. The Board of your Company approved and recommended the name of M/s Suresh Surana & Associates LLP, Chartered Accountants (Registration No 121750W/W-100010) for appointment of statutory auditors of the company for a period of five years which will hold office after the conclusion of the 44th AGM till the conclusion of 49th AGM of the company, if considered, will be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for holding the office of the Auditors. Accordingly, the Board recommends their appointment as Statutory Auditors of the Company by the Shareholders at the ensuing Annual General Meeting of the Company.

Auditors' observations in their Report have been elaborately dealt with in the Auditors' Report / Notes on Accounts. The same are self-explanatory and do not need any more information/explanation.

Cost Accounting Record Rules and Cost Audit Report Rules are not applicable due to non functional of MTF Plant.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of the Company appointed M/s Sanjay Grover and Associates to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2017, in the prescribed format is attached and marked as **Annexure II** with this report. Board

has perused observations of the auditors in their report and ensure to have effective process of compliances & rectify by filling requisite forms subsequently including previous year.

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 is no production hence no information is 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 84.79 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

**Place: New Delhi
Date: August 18, 2017**

**Vinay Kumar Modi
Chairman**

Annexure I

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-17.

| | | |
|---|--|--|
| 1 | 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 | Refer Section Corporate Social Responsibility in this Report |
| 2 | Composition of the CSR Committee. | Refer Corporate Governance Report |
| 3 | Average Net Profit of the Company for last three financial years | Nil |
| 4 | Prescribed CSR Expenditure (two percent of the amount as in item No. 3 above) | None |
| 5 | Details of CSR spent during the financial year: | |
| | (a) total amount to be spent for the financial year | None |
| | (b) amount unspent, if any | Not Applicable |
| | (c) manner in which the amount spent during the financial year | None |
| 6 | 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. | Not Applicable |

Responsibility Statement

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

**Alok Kumar Modi
Managing Director**

**Vinay Kumar Modi
Chairman**



SECRETARIAL AUDIT REPORT¹

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[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. The Board for Industrial and Financial Reconstruction (the BIFR) sanctioned the Rehabilitation Scheme (SS-08) under provisions of erstwhile Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) to the Company. Upon substantial implementation of SS-08 the BIFR vide its Order dated February 23, 2010, discharged the Company from the purview of SICA and the BIFR with the direction that the unimplemented provisions of the SS-08 for the unexpired period for the scheme would be implemented by the concerned agencies and their implementation would be monitored by the Company. National Stock Exchange of India Limited (“NSE”), vide its email dated July 12th, 2017 approved revocation of suspension of trading in Company’s equity shares however, trading in company’s shares on the NSE is yet to be commenced.

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 31st March, 2017 (“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 31st March, 2017 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.

*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:-

- *In terms of Section 134(3)(f) of the Act, the report of Board of Directors of the Company does not include explanations or comments on qualifications made by secretarial auditor for the financial year ended 31st March, 2016.*
- The Company has not submitted few informations to the Stock Exchanges under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- The following e-forms were not filed by the Company;
 - Form MGT-14 for the resolution passed by the Board of Directors in its Board Meeting held on 12.08.2016 for taking borrowings from Banks/ NBFCs for the official use of Company; and
 - Form CHG-1 for Creation of charge in form of Hypothecation on Vehicle during financial year 2016-17.

We report that that the Company has not spent, due to implementation of SS-08, the requisite amount during the financial year towards Corporate Social Responsibility as required in terms of Section 135 of the Act.

We further report that the Company is yet to execute a fresh Listing Agreement with Stock Exchange(s) pursuant to the SEBI Circular **CIR/CFD/CMD/6/2015** dated October 13, 2015.

(vi) As informed by the Management, the Company was 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. As the Company is under rehabilitation scheme and all the manufacturing units of the Company are closed, there is no worker in the Company.

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 consists of total 6 (six) Directors, out of which 3(three) are Independent Directors (who shall not be counted in total number of Directors for the purpose of Section 152 of the Act), 1(one) is Managing Director and 1(one) is Subscriber cum Director (who are, as per the Articles of Associations of the Company, non rotational).

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 notice is 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 are 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 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, which may be further strengthen.

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

Lokesh Dhyani
Partner
CP No.: 16185

18 August, 2017
New Delhi



Annexure III

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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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 2016-17 (in Rs.) | % increase in Remuneration in the Financial Year 2016-17 |
|---------|---|--|--|
| 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. Sanjiwan Sahni (Non-Executive Independent Director) | Sitting Fees only* | N.A |
| 4. | Mr. Kawaljit Singh Bains (Non-Executive Independent Director) | Sitting Fees only* | N.A |
| 5. | Mr. Neeraj Sharma (Non-Executive Independent Director) | Sitting Fees only* | N.A |
| 6. | Ms. Piya Modi (Whole Time Director) | 30,24,000 | NIL |
| 7. | Mr. Sanjeev Kumar Bajpai (Head – Legal & Company Secretary) | 42,59,166 | 59.39% |
| 8. | Mr. Kamal Gupta (Chief Financial Officer) | 36,16,339 | 11.57% |

*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. 8,98,248;
- (iii) In the financial year 2016-17, the median remuneration of employees decreased by 88.25%;
- (iv) There were 22 permanent employees (including KMPs) on the rolls of Company as on March 31, 2017;
- (v) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2017 was Rs. 23137.45 lacs. and Rs. 11105.48 lacs as on March 31, 2016;
- (vi) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 and comparison with the percentage increase/(decrease) in managerial remuneration: 15.70% Vs 23.65%
- (vii) 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 18, 2017

Alok Kumar Modi
Managing Director

Vinay Kumar Modi
Chairman

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2017

[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: | M/s MAS Services Ltd, T-34, II Floor, Okhla Industrial Area, Phase-IIInd, 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 | Rental/Real Estate | 7010 | 20.16 |

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 th Floor in Matrix near Divya Bhaskar Press Corporate Road Prahladnagar Ahemdabad Gujrat- 380015 India | U24233GJ2012PTC072830 | Joint Venture | 49.00 | 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 % |
| (A) PROMOTER AND PROMOTER GROUP | | | | | | | | |
| (1) | Indian | | | | | | | |
| (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 |
| SUB-TOTAL (A)(1) | | 6 | 13144874 | 12130663 | 52.49 | 52.49 | 1288015 | 9.80 |
| (2) | Foreign | | | | | | | |
| (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 |
| SUB-TOTAL (A)(2) | | 1 | 2554078 | 0 | 10.200 | 10.200 | 0 | 0.000 |
| TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP (A)=(A)(1)+(A)(2) | | 7 | 15698952 | 12130663 | 62.69 | 62.69 | 1288015 | 8.2 |
| (B) PUBLIC SHAREHOLDER | | | | | | | | |
| (1) | Institutions | | | | | | | |
| (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. |
| SUB-TOTAL (B)(1) | | 21 | 733192 | 230612 | 2.928 | 2.928 | N.A. | N.A. |

| 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 % |
| (3) Non-Institutions | | | | | | | | |
| (a) | Individuals-i. Individual shareholders holding nominal share capital up to Rs. 2 lac | 12776 | 1929535 | 884798 | 7.71 | 7.71 | N.A. | N.A. |
| (a) | Individuals-ii.Individual shareholders holding nominal share capital in excess of Rs. 2 lac. | 2 | 170020 | 170020 | 0.68 | 0.68 | 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 | 149 | 700228 | 700228 | 2.8 | 2.8 | 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 | 53 | 5772386 | 5772386 | 23.055 | 23.055 | N.A. | N.A. |
| (h) | Any Other (specify)Clearing Member | 50 | 18501 | 18501 | 0.07 | 0.07 | N.A. | N.A. |
| (i) | Any Other (specify)Trust | 2 | 10300 | 10300 | 0.041 | 0.041 | 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. |
| SUB-TOTAL (B)(3) | | 12934 | 8608388 | 8608388 | 34.38 | 34.38 | N.A. | N.A. |
| TOTAL PUBLIC SHAREHOLDING (B)= (B)(1)+(B)(2)+(B)(3) | | 12955 | 9341580 | 9341580 | 37.31 | 37.31 | N.A. | N.A. |
| (C) NON PROMOTER-NO PUBLIC SHAREHOLDER | | | | | | | | |
| (A) | Name of DR Holder(if available) | 0 | 0 | 0 | 0.000 | 0.000 | N.A. | N.A. |
| SUB-TOTAL (C)(1) | | 0 | 0 | 0 | 0.000 | 0.000 | N.A. | N.A. |
| TOTAL NON PROMOTER-NO PUBLIC SHAREHOLDER (C)=(C)(1) | | 0 | 0 | 0 | 0.000 | 0.000 | N.A. | N.A. |
| Grand Total (A) + (B) + (C) | | 12962 | 25040532 | 19914483 | 100 | 100 | 1288015 | 5.14 |

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 |
| | Total | 15698952 | 62.69 | 5.14 | 15698952 | 62.69 | 5.14 | 0 |



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): | M/s Rajputana Fertilizers Ltd holding 126007 Equity Shares of the company opted out from Promoter Group of the company. * | | | |

Note:-*A report to the above effect is already submitted to Stock Exchange in Shareholding Pattern filed for quarter ended 30th June 2016

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 1,2016) | 5739451 | 22.921% | 5739451 | 22.921% |
| | Transaction (Purchase/sale) from April 1,2016 up to March 31, 2017 | - | - | - | - |
| | At the end of the year (March 31,2017) | 5739451 | 22.921% | 5739451 | 22.921% |
| 2. | JP Morgan Securities | | | | |
| | At the Beginning of the Year (April 1,2016) | 500810 | 2% | 500810 | 2% |
| | Transaction (Purchase/sale) from April 1,2016 up to March 31, 2017 | - | - | - | - |
| | At the end of the year (March 31,2017) | 500810 | 2% | 500810 | 2% |
| 3 | Merlin Resources Private Limited | | | | |
| | At the Beginning of the Year (April 1,2016) | 496600 | 1.983% | 496600 | 1.983% |
| | Transaction (Purchase/sale) from April 1,2016 up to March 31, 2017 | - | - | - | - |
| | At the end of the year (March 31,2017) | 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, 2016) | 228481 | 0.912% | 228481 | 0.912% |
| | Transaction (Purchase/sale) from April 1, 2016 up to March 31, 2017 | - | - | - | - |
| | At the end of the year (March 31, 2017) | 228481 | 0.912% | 228481 | 0.912% |
| 5. | RAJPUTANA DEVELOPERS LIMITED | | | | |
| | At the Beginning of the Year (April 1, 2016) | - | - | - | - |
| | Transaction (Purchase/sale) from April 1,2016 up to March 31, 2017 | 126007 | .50% | 126007 | .50% |
| | At the end of the year (March 31, 2017) | 126007 | .50% | 126007 | .50% |

| Sl. No. | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative shareholding during the year | | | |
|---------|--|---|------------|---|----------------------------------|---------------|----------------------------------|
| | | For each of the Top 10 Shareholders | | 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, 2016) | | 44919 | 0.179 | 44919 | 0.179 | |
| | Transaction (Purchase/sale) from April 1,2016 up to March 31,2017 | | | | | | |
| | Date of Transactions | Sell | Buy | | | | |
| | 4/8/2016 | | 2643 | | | | |
| | 4/15/2016 | | 3986 | | | | |
| | 4/29/2016 | | 10050 | | | | |
| | 5/6/2016 | | 2450 | | | | |
| | 5/13/2016 | | 2500 | | | | |
| | 6/17/2016 | | 12150 | | | | |
| | 7/29/2016 | | 3616 | | | | |
| | 8/19/2016 | | 2686 | | | | |
| | 8/26/2016 | | 10737 | | | | |
| | 9/9/2016 | | 4263 | | | | |
| | 11/25/2016 | | 8498 | | | | |
| | 12/31/2016 | | 4365 | | | | |
| | 3/24/2017 | | 2157 | | | | |
| | At the end of the year (March 31,2017) | | 115020 | 0.459 | 115020 | 0.459 | |
| 7. | HARSHA HITESH JAVERI | | | | | | |
| | At the Beginning of the Year (April 1,2015) | | 40000 | | 40000 | 0.179 | |
| | Transaction (Purchase/sale) from April 1, 2015 up to March 31,2016 | | | .040 | 9900 | .040 | |
| | Date of Transactions | Sell | Buy | | | | |
| | 8/5/2016 | | 8516 | | | | |
| | 8/19/2016 | | 3090 | | | | |
| | 9/9/2016 | | 3394 | | | | |
| | At the end of the year (March 31,2016) | | 55000 | | 55000 | | |
| 8. | MANISH PAL ARORA | | | | | | |
| | At the Beginning of the Year (April 1,2016) | | 18795 | 0.075 | 18795 | 0.075 | |
| | Transaction (Purchase/sale) from April 1,2016 up to March 31,2017 | | - | - | - | - | |
| | At the end of the year (March 31,2017) | | 18795 | 0.075 | 18795 | 0.075 | |
| 9. | AJITSINH GOKALDAS KHIMJI | | | | | | |
| | At the Beginning of the Year (April 1,2016) | | 15950 | 0.064 | 15950 | 0.064 | |
| | Transaction (Purchase/sale) from April 1,2016 up to March 31,2017 | | - | - | - | - | |
| | At the end of the year (March 31,2017) | | 15950 | 0.064 | 15950 | 0.064 | |
| 10. | AJAY SITARAM BIYANI KAMANI | | | | | | |
| | At the Beginning of the Year (April 1,2016) | | 12003 | 0.047 | 12003 | 0.047 | |
| | Transaction (Purchase/sale) from April 1,2016 up to March 31, 2017 | | - | - | - | - | |
| | At the end of the year (March 31,2017) | | 12003 | 0.047 | 12003 | 0.047 | |



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 2016-17 under review | | | |
| | Date wise Increase / Decrease in Share holding during the year specifying 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 (01.04.2016) | 300.15 (Lacs) | 48.90 (Lacs) | | 349.05 (Lacs) |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 300.15 (Lacs) | 48.90 (Lacs) | | 349.05 (Lacs) |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 86.72 | | | |
| * Reduction | - | 10.82 (Lacs) | | |
| Net Change | | | | |
| Indebtedness at the end of the financial year | 386.87 (Lacs) | 38.08 (Lacs) | | 424.95 (Lacs) |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | | | | |

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 |
|---------|--|-------------------------|----------------------|----------------------|--------------|----------------|
| | | Mr. Neeraj Sharma | Mr. Sanjiwan Sahni** | Mr. Arvind Nath Seth | Mr. KS Bains | |
| 1. | Independent Directors | | | | | |
| | Fee for attending board committee meetings | 35000 | 15000 | - | 70000 | 120000 |
| | Commission | NA | NA | NA | NA | |
| | Others, professional services * | NA | 4186000 | NA | NA | 4201000 |
| | Total (1) | 35000 | 4201000 | | 70000 | 4306000 |
| 2. | Other Non-Executive Directors | | | | | |
| | | Vinay Kumar Modi | | | | |
| | Fee for attending board committee meetings | NA | - | - | - | |
| | Commission | NA | | | | |
| | Others, please specify | NA | | | | |
| | Total (2) | NA | | | | |
| | Total (B)=(1+2) | | | | | 4280000 |
| | Total Managerial Remuneration | | | | | |
| | Overall Ceiling as per the Act | | | | | |

*A payment of Rs. 41.86 Lacs has been made (Approved by Board at its board meeting held on 10th February 2016, on recommendation of Nomination and Remuneration Committee) to Mr. Sanjiwan Sahani (Independent Director) against the professional services rendered by him in respect of Joint Ventures, Yes Bank case and others matters.

** Mr. Sanjiwan Sahani Ceased to be director w.e.f 10th February 2017

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 | | 42,59,166 | 36,16,339 | 78,75,455 |
| 2 | Stock Option | | - | - | - |
| 3 | Sweat Equity | | - | - | - |
| 4 | Commission- as % of profit- others, specify | | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | | 42,59,166 | 36,16,339 | 78,75,455 |

vii. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishments / compounding of offences under Companies Act, 2013 for the year ending March 31, 2017.

For and on behalf of the Board of Directors

Place: New Delhi
Date: August 18, 2017

Vinay Kumar Modi
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company has been implementing unimplemented portion of the revival scheme sanctioned by the BIFR. 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 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 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 possible wherever possible.

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 22 employees to 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.

C 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 Regulation, 2015) 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 Regulation, 2015 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 Regulation, 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 the Securities and Exchange Board of India Regulations, 2015. 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, 2017 are 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. Kawaljit Singh Bains | Independent Non-Executive | Director | 1 | 2 |
| 5. | Mr. Neeraj Sharma | Independent Non-Executive | Director | 2 | - |
| 6. | Mr. Arvind Nath Seth* | Independent Non-Executive | Director | 3 | - |
| 7. | Mr. Sanjiwan Sahni (Ceased to be director w.e.f 10 th February 2017) | Independent Non-Executive | Director | NA | NA |

Please Note_

- * Appointed as on additional Independent Director w.e.f. May 29, 2017 subject to the approval of Shareholder's in ensuing AGM
- 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 Sanjiwan Sahni* | Shri Neeraj Sharma |
|--------------------|-----------------------|---------------------------|-------------------------|----------------------|--------------------|
| No. of Shares held | Nil | Nil | Nil | NIL | Nil |

Note:

1. Shri Sanjiwan Sahni ceased to be director w.e.f 10th February 2017.*
2. Shri Arvind Nath Seth was appointed as additional director w.e.f. 27th May 2017**

(B) Board Meetings

Dates 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 2016-17 is as under:

| Name of Director(s) | No. of Board Meetings during the year 2016-17 | | Attended last Annual General Meeting |
|---------------------------|---|----------|--------------------------------------|
| | Held | Attended | |
| Shri Vinay Kumar Modi* | 4 | 4 | Yes |
| Shri Alok Kumar Modi | 4 | 4 | Yes |
| Shri Kawaljit Singh Bains | 4 | 4 | Yes |
| Shri Sanjiwan Sahni** | 4 | 1 | No |
| Shri Neeraj Sharma | 4 | 2 | No |
| Ms. Piya Modi | 4 | 4 | No |
| Shri Arvind Nath Seth*** | 4 | 0 | NA |

Note:

1. Shri. Vinay Kumar Modi joined the meeting held on May 27, 2016 through Web-ex and his presence was not counted for the purpose of quorum.*
2. Shri Sanjiwan Sahni ceased to be director w.e.f 10th February 2017.**
3. Shri Arvind Nath Seth was appointed as additional director w.e.f. 27th May 2017***

(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, 2017, Four Board Meetings were held as per the minimum requirement of four meetings prescribed in the Regulation 17(2) of SEBI Regulations, 2015. The intervening period between the Board Meetings were within the maximum time gap prescribed under Companies Act, 2013 and Regulation 17(2) of SEBI Regulations, 2015.

The details of the Board meetings held during the financial year 2016-17 are as under:

| Sl. No. | Date of Board meetings | Board Strength | No. of Directors Present |
|---------|------------------------|----------------|--------------------------|
| 1 | May 27, 2016 | 6 | 5 |
| 2 | August 12, 2016 | 6 | 5 |
| 3 | October 28, 2016 | 6 | 4 |
| 4 | February 10, 2017 | 6 | 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

(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

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 Auditor 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 Listing Regulations, 2015. The present members of the Audit Committee are Shri Kawaljit Singh Bains as Chairman, Shri Vinay Kumar Modi, Shri Arvind Nath Seth and Shri Neeraj Sharma 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); 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 four 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 27, 2016, August 12, 2016, November 10, 2016 and February 10 2017. The composition and the attendance of members at the meetings held during the FY 2016-17, are given below:

| Director | Category | No. of meetings held | No. of meetings attended |
|-----------------------------------|---|----------------------|--------------------------|
| Shri K S Bains Chairman | Non-Executive Independent Director | 4 | 4 |
| Shri Vinay Kumar Modi Member | Non-Executive | 4 | 4 |
| Shri Sanjiwan Sahni* Member | Non-Executive Independent Director | 4 | 1 |
| Shri Neeraj Sharma Member | Non-Executive Director Independent Director | 4 | 2 |
| Shri Arvind Nath Seth** Member | Non-Executive Director Independent Director | NA | NA |

Note:

1. Shri Sanjiwan Sahni ceased to be director and member of this Committee w.e.f 10th February 2017.*
2. Shri Arvind Nath Seth was appointed as additional director and member of this Committee w.e.f. 27th May 2017**

2. NOMINATION AND REMUNERATION COMMITTEE

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

The Board had re-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 Neeraj Sharma and Shri Arvind Nath Seth 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.
- (b) The Committee Meetings were held on August 12, 2016 and February 10 2017. The composition and the attendance of members at the meetings held during the FY 2016-17, are given below:

| Director | Category | No. of meetings held | No. of meetings attended |
|-----------------------------------|---|----------------------|--------------------------|
| Shri K S Bains Chairman | Non-Executive Independent Director | 2 | 2 |
| Shri Vinay Kumar Modi Member | Non-Executive | 2 | 2 |
| Shri Sanjiwan Sahni* Member | Non-Executive Independent Director | 2 | 0 |
| Shri Neeraj Sharma Member | Non-Executive Director Independent Director | 2 | 1 |
| Shri Arvind Nath Seth** Member | Non-Executive Director Independent Director | NA | NA |

Note:

1. Shri Sanjiwan Sahni ceased to be director and member of this Committee w.e.f 10th February 2017.*
2. Shri Arvind Nath Seth was appointed as additional director and member of this Committee w.e.f. 27th May 2017**

(c) 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);

(d) 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 and 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 2016-17 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 |
| Ms. 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 ‘)

| Name of the Non-Executive Director | Sitting Fees | | Total |
|------------------------------------|----------------|---------------------|-------|
| | Board Meetings | Committee Meetings* | |
| Mr. Sanjiwan Sahni | 10000 | 5000 | 15000 |
| Mr. Kawaljit Singh | 40000 | 30000 | 70000 |
| Mr. Vinay Kumar Modi | NIL | NIL | NA |
| Mr. Neeraj Sharma | 20000 | 15000 | 35000 |
| Mr. Arvind Nath Seth | NA | NA | NA |

Note:-

1. Shri Sanjiwan Sahni ceased to be Director w.e.f 10th February 2017.
2. Shri Arvind Nath Seth was appointed as Non-Executive independent Director w.e.f. 27th May 2017*

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 expedite 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.

Note:-

1. Shri Sanjiwan Sahni ceased to be Member of this committee w.e.f 10th February 2017.
2. Shri Arvind Nath Seth was appointed as member of this committee w.e.f. 27th May 2017*

(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



(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

During the accounting period under review, 1 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, 2017.

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, 2017 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. Kawaljit 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 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 Neeraj Sharma without presence of Executive Directors or Management had a meeting for the financial year 2016-17 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 |
|----------------------|--|------------|------------|
| 43 rd AGM | Dayawati Modi Public School, Modinagar | 29.09.2016 | 11.30 A.M. |
| 42 nd AGM | Dayawati Modi Public School, Modinagar | 29.09.2015 | 11.30 A.M. |
| 41 th AGM | Dayawati Modi Public School, Modinagar | 30.09.2014 | 11.30 A.M. |
| 40 th AGM | Dayawati Modi Public School, Modinagar | 30.09.2013 | 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 Accounting Standard (AS – 18) of The Institute of Chartered Accountants of India.

| A) | Subsidiary Companies: | % Holdings |
|----|--|------------|
| 1 | 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 |
| 2 | Superior Investment (India) Ltd. | 100.00 |
| 3 | Spin Investment (India) Ltd. | 100.00 |

| | | |
|--|--|-------|
| B) Joint Venture: | | |
| 1 Gujarat Guardian Ltd. | | 21.24 |
| 2 Asahi Modi Materials Pvt. Ltd. | | 49.00 |
| C) Associate: | | |
| 1 Vinura Beverages Pvt. Ltd. (An Associate of a wholly owned subsidiary) | | |
| D) Key Management Personnel: | | |
| 1 Mr. Alok Kumar Modi-Managing Director | | |
| 2 Miss Piya Modi-Whole Time Director | | |
| 3 Mr. Sanjeev Kumar Bajpai-Company Secretary | | |
| 4 Mr. Kamal Gupta-Chief Financial Officer (CFO) | | |
| E) Relatives of Key Management Personnel | | |
| 1 Mr. Vinay Kumar Modi (Father of Mr. Alok Kumar Modi) | | |
| 2 Mrs. Chander Bala Modi (Mother of Mr. Alok Kumar Modi) | | |
| 3 Mrs. Archana Singhania (Sister of Mr. Alok Kumar Modi) | | |
| 4 Mrs. Ritika Modi (Wife of Mr. Alok Kumar Modi) | | |
| F) Enterprises in which relatives of Key Management Personnel has significant influence | | |
| 1 Leaf Investment Pvt. Ltd. | | |
| 2 Mod Fashions and Securities Pvt. Ltd. | | |
| 3 Uniglobe Mod Travels Pvt. Ltd. | | |
| 4 Uniglobe Travel (South Asia) 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 |
|---|------------|------------|
| | Rs. Lacs | Rs. Lacs |
| A) Subsidiaries: | | |
| i) Expenses incurred on behalf | 52.29 | Nil |
| ii) Transfer of Assets/Liabilities (Net) | (52.29) | Nil |
| iii) Receivable at the year end | Nil | Nil |
| B) Joint Venture: | | |
| i) Income Received | 1528.19 | 1337.56 |
| ii) Expenses incurred on behalf | (6.11) | (8.48) |
| iii) Transfer of Assets/Liabilities (Net) | (1498.66) | (1326.21) |
| iv) Receivable/(Payable) at the year end | 23.66 | 0.23 |
| C) Associate: | | |
| i) Income Received | Nil | 0.03 |
| ii) Expenses incurred on behalf | Nil | Nil |
| iii) Receivable at the year end | 2.26 | 2.26 |
| D) Key Management Personnel | | |
| i) Remuneration Paid | 128.37 | 89.37 |
| E) Others: | | |
| i) Income Received | 66.70 | 53.95 |
| ii) Transfer of Assets/Liabilities (Net) | 75.65 | 106.78 |
| iii) Expenses incurred on behalf | 81.82 | 103.21 |
| iv) Payable/(Receivable) at the year end | (155.89) | (95.37) |

- **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

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 th September 2017, 11.30 A.M. |
| General Meeting | : | Auditorium, Dayawati Modi Public School, Modinagar-201 204 |
| Book Closure | : | 22.09.2017 to 28.09.2017 (both days inclusive) |
| Financial Calendar | : | April 01, 2016 to March 31, 2017 |
| 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 2016 -17 |
| Stock Market Data | : | Bombay Stock Exchange of India (BSE) |

| 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 16 | 46.50 | 54.90 | 42.45 | 48.00 | 32,618 | 209 | 16,38,916 | 32,618 | 100.00 | 12.45 | 1.50 |
| May 16 | 46.05 | 56.85 | 45.60 | 51.45 | 55,708 | 330 | 28,65,272 | 55,708 | 100.00 | 11.25 | 5.40 |
| Jun 16 | 48.90 | 53.70 | 46.05 | 48.75 | 24,192 | 139 | 12,46,874 | 24,192 | 100.00 | 7.65 | -0.15 |
| Jul 16 | 46.40 | 48.20 | 40.00 | 45.50 | 15,925 | 128 | 6,83,567 | 15,925 | 100.00 | 8.20 | -0.90 |
| Aug 16 | 45.15 | 52.75 | 43.40 | 43.50 | 51,309 | 240 | 24,93,664 | 51,309 | 100.00 | 9.35 | -1.65 |
| Sep 16 | 43.25 | 47.15 | 39.00 | 39.30 | 34,740 | 264 | 14,62,749 | 34,740 | 100.00 | 8.15 | -3.95 |
| Oct 16 | 39.00 | 45.00 | 39.00 | 42.60 | 27,844 | 324 | 11,57,604 | 28,169 | 101.17 | 6.00 | 3.60 |
| Nov 16 | 42.20 | 44.00 | 37.00 | 41.40 | 31,130 | 300 | 12,56,485 | 31,086 | 99.86 | 7.00 | -0.80 |
| Dec 16 | 41.00 | 47.85 | 39.15 | 41.20 | 28,460 | 259 | 12,36,514 | 22,477 | 78.98 | 8.70 | 0.20 |
| Jan 17 | 39.35 | 47.10 | 39.35 | 43.75 | 24,390 | 204 | 10,53,485 | 11,989 | 49.16 | 7.75 | 4.40 |
| Feb 17 | 43.05 | 49.00 | 42.00 | 43.30 | 38,665 | 263 | 17,38,954 | 15,340 | 39.67 | 7.00 | 0.25 |
| Mar 17 | 43.25 | 92.40 | 38.15 | 92.40 | 2,11,841 | 1,435 | 1,33,11,723 | 1,54,752 | 73.05 | 54.25 | 49.15 |

- Company has filed/submitted all relevant documents with National Stock Exchange of India Ltd (NSE) for revocation of suspension in the Company's shares trading. It is expected that during Current Year the embargo can be lifted by the NSE. However, shares are traded on BSE regularly.

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
website : 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 31.03.2017:

| NO OF SHARE HOLDERS | % TO TOTAL | SHARE HOLDING OF NOMINAL VALUE OF RS | NO OF SHARE | AMOUNT IN RS | % TO TOTAL |
|-----------------------------|------------|--------------------------------------|----------------------|------------------|-----------------|
| 12304 | 94.924 | 1 TO 5000 | 1203957 | 12039570 | 4.808 |
| 424 | 3.271 | 5001 TO 10000 | 309054 | 3090540 | 1.234 |
| 140 | 1.08 | 10001 TO 20000 | 198968 | 1989680 | 0.795 |
| 35 | 0.27 | 20001 TO 30000 | 85175 | 851750 | 0.34 |
| 10 | 0.077 | 30001 TO 40000 | 34164 | 341640 | 0.136 |
| 13 | 0.1 | 40001 TO 50000 | 59912 | 599120 | 0.239 |
| 18 | 0.139 | 50001 TO 100000 | 130433 | 1304330 | 0.521 |
| 18 | 0.139 | 100001 AND ABOVE | 23018869 | 230188690 | 91.926 |
| 12962 | 100 | TOTAL | 25040532 | 250405320 | 100 |
| TOTAL SHARE HOLDERS IN NSDL | | 3845 | TOTAL SHARES IN NSDL | | 19700591 |
| TOTAL SHARE HOLDERS IN CDSL | | 1005 | TOTAL SHARES IN CDSL | | 213892 |
| TOTAL SHARE HOLDERS IN PHY | | 8112 | TOTAL SHARES IN PHY | | 5126049 |
| TOTAL SHARE HOLDERS | | 12962 | TOTAL SHARES | | 25040532 |

Shareholding pattern as on 31.03.2017.

| Category | No. of Shares held | % of Shareholding |
|--------------|--------------------|-------------------|
| Promoters | 15698952 | 62.69 |
| Public | 9341580 | 37.31 |
| Total | 25040532 | 100.00 |

Dematerialization of Shares and Liquidity

Over 78.67% of the shares have been dematerialized upto 31.03.2017.

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.

Plant Location : Modi Tyre Factory, Modinagar, Dist. Ghaziabad (U.P)

o) Address for Correspondence : Mas Services Ltd.,
for transfer/dematerialization
of shares, and any other query T-34, 2nd Floor, Okhla Industrial Area,
Phase - II, New Delhi - 110 020
Ph:- 26387281/82/83 - Fax:- 26387384
email:- mas_serv@yahoo.com
website : 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 – 26848416, 26848417, 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 18, 2017

(Alok Kumar Modi)
Managing Director



CEO AND CFO CERTIFICATION

We, Piya Modi, Whole time Director, and 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, 2017 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 18, 2017

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, P D M and Company, Chartered Accountants, the Statutory Auditors of MODI RUBBER LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, 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, 2017.
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 P D M and Company

CHARTERED ACCOUNTANTS
(Firm Registration No. 007966N)

PRABHAT JAIN

Partner
(Membership No.086756)

Date: 18/08/2017

Place: New Delhi



INDEPENDENT AUDITOR'S REPORT

To the Members of
Modi Rubber Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **Modi Rubber Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 Directors, as well as evaluating the overall presentation of the 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2017 and its profit and the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 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 explanation given to us, we give in the Annexure 'A' a statement of the matters specified in paragraphs 3 and 4 of the Order.

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 purpose of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
- e. on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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, in our opinion and to the best of information and according to the explanations given to us:
 - the Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its financial statements;
 - the Company has made provision, as required under applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - there has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017; and;
 - the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Point No. 12 of Note No. 24 to the financial statements.

For **P D M and Company**
(Firm Registration No. 007966N)
Chartered Accountants
CA. Prabhat Jain
Partner
(M. No. 086756)

Place : New Delhi
Date : 29/05/2017

ANNEXURE 'A' REFERRED IN OUR REPORT ON STANDALONE FINANCIAL STATEMENTS TO THE MEMBERS OF MODI RUBBER LIMITED FOR THE YEAR ENDED 31ST MARCH 2017

- (i) a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets and investment properties.
- b) The fixed assets and investments properties (except the assets which the company has no access) have been physically verified by the management during the year. Material discrepancy noticed during such verification, have been properly dealt with in the books of accounts.
- c) 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 all the immovable properties are held in the name of the Company except the following cases:-

| S.No. | Nature of Property | Gross Block (Rs. Lacs) | Net Block (Rs. Lacs) |
|-------|--------------------|------------------------|----------------------|
| 1 | Building (Flat) | 165.00 | 26.20 |
| 2 | Building | 98.73 | 18.04 |

- (ii) Physical verification of the inventories of the company has been conducted at reasonable intervals. However in some cases, physical verification has not been conducted due to non-access of the inventory. As explained to us, material discrepancies noticed on physical verification of inventories as compared to book records have been properly dealt with in the books of accounts.
- (iii) The Company has not granted any loans, secured or unsecured to

companies, firms, LLP or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and securities.
- (v) According to the information and explanation given to us, the company has not accepted any deposits within the meaning of sections 73 and 76 of the Act. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government has prescribed maintenance of Cost Records under clause (d) of sub-section (1) of Section 148 of the Act. However no Cost Records are maintained due to the suspension of manufacturing operations.
- (vii) a) According to the information and explanation given to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities except amount of Rs. 92.95 lacs due to various Sales Tax Authorities as at the last day of the financial year concerned for a period of more than six months from the date they become payable.
- b) According to information and explanations given to us, the dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise or Value Added Tax which have not been deposited on account of any dispute and the forum where the dispute is pending, are as under :-

| S. No. | Name of the Statute | State | Amount Rs. Lacs | Forum Where Dispute is pending | Period Which It Relates to |
|----------------------------------|--|--------------------------|-----------------|-----------------------------------|----------------------------|
| I. EXCISE/DGFT LIABILITY | | | | | |
| 1 | Central Excise Act, 1944 | Central Excise Act, 1944 | 340.52 | High Court and Appelate Tribunals | 1992-2002 |
| 2 | Foreign Trade Development and Regulation Act, 1992 | Delhi | 200.00 | Additional DGFT Commissioner (A) | 1995-1996 |
| 3 | Custom Act, 1962 | | 551.42 | Commissioner (A) | 1996, 2000, 2001 |
| II. SALES TAX LIABILITY | | | | | |
| 1 | U.P Trade/VAT Act | Uttar Pradesh | 323.82 | Tribunal, Add. Comm.(A), D.C. (A) | 1977-2002 |
| 2 | Bihar Finance Act | Bihar | 374.85 | Jt. Comm. (A) | 1990-2002 |
| 3 | Delhi ST Act | Delhi | 337.08 | D.C. (A) | 1976-2002 |
| 4 | Maharashtra ST Act | Mumbai | 790.52 | D.C. (A) | 1975-2002 |
| 5 | Jharkand ST Act | Jamshedpur | 65.42 | D.C. (A) | 2000-2002 |
| 6 | Jharkand ST Act | Ranchi | 27.96 | D.C. (A) | 2000-2002 |
| 7 | A.P GST Act | Andhra Pradesh | 95.58 | Comm. (A) | 1999-2002 |
| 8 | Haryana CST Act | Haryana | 63.05 | Jt. Comm. (A) | 1999-2003 |
| 9 | M.P Comm. Tax Act | Madhya Pradesh | 134.40 | D.C. (A) | 1993-2002 |
| 10 | Uttaranchal ST Act | Uttranchal | 20.29 | Jt. Comm. (A) | 2000-2002 |
| 11 | Pondicherry ST Act | Puducherry | 0.73 | D.C. (A) | 1999-2000 |
| III. INCOME TAX LIABILITY | | | | | |
| 1 | Income Tax Act | New Delhi | 1612.50 | CIT (Appeals) | A.Y.2003-2004 |
| 2 | Income Tax Act | New Delhi | 131.04 | CIT (Appeals) | A.Y.2012-2013 |

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans and borrowing from any of the financial institution, banks, government or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial offer or further public offer (including debt instruments). The term loan raised by the company during the year was applied for the purpose for which it was raised.

- (x) According to the information and explanation given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.



- (xii) In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For **P D M and Company**
(Firm Registration No. 007966N)
Chartered Accountants
CA. Prabhat Jain
Partner
(M. No. 086756)

Place : New Delhi
Date : 29/05/2017

ANNEXURE 'B' REFERRED IN OUR REPORT ON STANDALONE FINANCIAL STATEMENTS TO THE MEMBERS OF MODI RUBBER LIMITED FOR THE YEAR ENDED 31st MARCH 2017

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 at March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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 controls 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 judgments, 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

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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;
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P D M and Company**
(Firm Registration No. 007966N)
Chartered Accountants
CA. Prabhat Jain
Partner
(M. No. 086756)

Place : New Delhi
Date : 29/05/2017

BALANCE SHEET

AS AT 31ST MARCH, 2017

| PARTICULARS | Note No. | As At 31.03.2017 | As At 31.03.2016 |
|------------------------------------|----------|------------------------|------------------------|
| I. EQUITY AND LIABILITIES | | Rs. Lacs | Rs.Lacs |
| (1) SHAREHOLDERS' FUNDS | | | |
| (a) Share Capital | 1 | 2504.05 | 2504.05 |
| (b) Reserves and Surplus | 2 | 12406.38 | 11694.98 |
| | | <u>14910.43</u> | <u>14199.03</u> |
| (2) NON-CURRENT LIABILITIES | | | |
| (a) Long-Term Borrowings | 3 | 106.13 | 38.61 |
| (b) Other Long Term Liabilities | 4 | 38.08 | 48.90 |
| | | <u>144.21</u> | <u>87.51</u> |
| (3) CURRENT LIABILITIES | | | |
| (a) Short-Term Borrowings | 5 | 250.00 | 250.00 |
| (b) Trade Payables | 6 | 447.33 | 447.33 |
| (c) Other Current Liabilities | 7 | 3584.51 | 3336.63 |
| | | <u>4281.84</u> | <u>4033.96</u> |
| TOTAL | | <u>19336.48</u> | <u>18320.50</u> |
| II. ASSETS | | | |
| (1) NON-CURRENT ASSETS | | | |
| (a) Fixed Assets | 8 | | |
| (i) Property, Plant and Equipment | | 1064.35 | 1024.82 |
| (ii) Intangible Assets | | 2.32 | 4.38 |
| (iii) Capital Work-in-Progress | | 1905.25 | 497.81 |
| (b) Non-Current Investments | 9 & 9A | 5659.87 | 5681.28 |
| (c) Deferred Tax Assets (Net) | 10 | 2154.38 | 1856.64 |
| (d) Long-Term Loans and Advances | 11 | 685.24 | 571.05 |
| (e) Other Non Current Assets | 12 | 4571.40 | 4475.79 |
| | | <u>16042.81</u> | <u>14111.77</u> |
| (2) CURRENT ASSETS | | | |
| (a) Current Investments | 13 | 1522.76 | 2566.15 |
| (b) Inventories | 14 | 75.42 | 75.42 |
| (c) Trade Receivables | 15 | 377.84 | 253.40 |
| (d) Cash and Bank Balances | 16 | 202.51 | 226.15 |
| (e) Short-Term Loans and Advances | 17 | 1115.14 | 1087.61 |
| | | <u>3293.67</u> | <u>4208.73</u> |
| TOTAL | | <u>19336.48</u> | <u>18320.50</u> |

Significant Accounting Policies and Notes on Financial Statements 1-24

| | | |
|---|--|--|
| As per our Report Attached For P D M and Company (Firm Registration No. 007966N) Chartered Accountants | Alok Modi Managing Director | S.K. Bajpai Head-Legal & Company Secretary |
| CA. Prabhat Jain Partner (M.No. 086756) | K.S. Bains Arvind Nath Seth Piya Modi Directors | Kamal Gupta Chief Financial Officer |
| Place : New Delhi Date : 29th May, 2017 | | |



S STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

| PARTICULARS | Note No. | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|---|-----------------|------------------------------|------------------------------|
| INCOME | | Rs. Lacs | Rs.Lacs |
| Revenue from Operations | 18 | 515.08 | 538.70 |
| Other Income | 19 | 1896.87 | 1797.77 |
| TOTAL | | 2411.95 | 2336.47 |
| EXPENSES | | | |
| Employee Benefits Expense | 20 | 451.03 | 441.86 |
| Finance Costs | 21 | 11.91 | 5.88 |
| Depreciation and Amortization Expense | 22 | 127.71 | 113.83 |
| Other Expenses | 23 | 1388.89 | 1413.21 |
| TOTAL | | 1979.54 | 1974.78 |
| PROFIT BEFORE TAX | | 432.41 | 361.69 |
| Less/(Add): Tax Expense | | | |
| Current Tax | | | |
| – Taxes paid/(Reversed) for earlier years (Net) | | 18.75 | 0.00 |
| – Wealth Tax | | 0.00 | (0.15) |
| Deferred Tax Liability/(Asset) | | (297.74) | (161.02) |
| PROFIT FOR THE YEAR | | 711.40 | 522.86 |
| Basic and Diluted Earnings Per Equity Share (in Rupees) (Not Annualised) | | 2.84 | 2.09 |
| Significant Accounting Policies and Notes on Financial Statements | 1-24 | | |

As per our Report Attached
For P D M and Company
(Firm Registration No. 007966N)
Chartered Accountants

CA. Prabhat Jain
Partner
(M.No. 086756)

Alok Modi
Managing Director

K.S. Bains
Arvind Nath Seth
Piya Modi
Directors

S.K. Bajpai
Head-Legal &
Company Secretary

Kamal Gupta
Chief Financial Officer

Place : New Delhi
Date : 29th May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

| | 31.03.2017 | | 31.03.2016 | |
|--|------------|-------------|-------------------|-------------------|
| | Rs.Lacs | Rs.Lacs | Rs.Lacs | Rs.Lacs |
| A. Cash Flow from operating activities | | | | |
| Net Profit before tax and extraordinary items | | 432.41 | | 361.69 |
| Add: Adjustments for: | | | | |
| Depreciation and Amortization | 127.71 | | 113.83 | |
| Interest Paid | 11.91 | | 5.88 | |
| Interest Income | (199.01) | | (162.00) | |
| Net(Profit)/Loss on Fixed Assets Sold/discarded/written off | 0.02 | | (26.14) | |
| Net(Profit)/Loss on Investments | (173.36) | | (244.91) | |
| Provision made for Gratuity | - | | 12.43 | |
| Balances /Provisions not required Written off/(back) (Net) | 1.64 | | (2.56) | |
| Dividend Received | (1,524.17) | (1,755.26) | (1,360.81) | (1,664.28) |
| Operating profit/(Loss) before working capital changes | | (1,322.85) | | (1,302.59) |
| Adjustments for: | | | | |
| (Increase)/(Decrease) in Current Assets | (180.20) | | (215.85) | |
| Increase/(Decrease) in Current Liabilities and Provisions | 246.24 | | 9.13 | |
| Cash generated from operations before tax | | 66.04 | | (206.72) |
| Add: Taxes (paid)/refund | | (1,256.81) | | (1,509.31) |
| | | (84.81) | | (96.22) |
| Net cash generated from operating activities (A) | | | (1,341.62) | (1,605.53) |
| B. Cash flow from investing activities: | | | | |
| Interest Received | | 179.11 | | 145.80 |
| Dividend Received | | 1,524.17 | | 1,360.81 |
| (Increase)/Decrease in Fixed Deposit with Banks having maturity more than 3 months | | (90.27) | | (206.77) |
| Additions to Fixed assets/WIP | | (1,565.33) | | (570.98) |
| Proceeds from Sale of Fixed Assets | | 0.11 | | 26.21 |
| Purchase of Investment | | (11,493.39) | | (3,089.52) |
| Proceeds from Sale of Investments | | 12,724.13 | | 4,036.55 |
| Net cash generated from investing activities (B) | | | 1,278.53 | 1,702.10 |
| C. Cash Flow from financing activities: | | | | |
| Increase/(Decrease) in Borrowings | | 67.52 | | (11.54) |
| Increase/(Decrease) Other Non Current Liabilities | | (10.82) | | (28.74) |
| Interest paid | | (11.91) | | (5.88) |
| Net cash used in financing activities (C) | | | 44.79 | (46.16) |
| Net increase/(decrease) in cash and cash equivalent(A+B+C) | | | (18.30) | 50.41 |
| Cash and cash equivalents as at the beginning of the year | | | 156.98 | 106.57 |
| Cash and cash equivalents as at the end of the year | | | 138.68 | 156.98 |

NOTES: 1. Cash and Cash equivalents includes.

| | | | | |
|------------------------|--|---------------|--|---------------|
| Cash on Hand | | 3.16 | | 1.54 |
| Balance with Banks in: | | | | |
| - Current Accounts | | 103.79 | | 155.44 |
| - Fixed Deposit | | 31.73 | | - |
| TOTAL | | 138.68 | | 156.98 |

2. Previous year figures have been regrouped/rearranged wherever necessary so as to make them comparable with those of the current year.

| | | | |
|-----------------------|---|--|--|
| Place : New Delhi | As per our Report Attached For P D M and Company (Firm Registration No. 007966N) Chartered Accountants | Alok Modi Managing Director | S.K. Bajpai Head-Legal & Company Secretary |
| Date : 29th May, 2017 | CA. Prabhat Jain Partner (M.No. 086756) | K.S. Bains Arvind Nath Seth Piya Modi Directors | Kamal Gupta Chief Financial Officer |



SHARE CAPITAL

Note-1

| PARTICULARS | As At | |
|---|----------------|----------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Authorised | | |
| 50000000 Equity Shares of Rs.10 each | 5000.00 | 5000.00 |
| 200000 11% Redeemable Cumulative Preference Shares of Rs.100 each | 200.00 | 200.00 |
| TOTAL | 5200.00 | 5200.00 |
| Issued, Subscribed and Paid-up | | |
| 25040532 Equity Shares of Rs.10/- each Fully Paid up in Cash | 2504.05 | 2504.05 |
| TOTAL | 2504.05 | 2504.05 |

| PARTICULARS | As At | | As At | |
|---|-----------------|----------------|-----------------|----------------|
| | 31.03.2017 | | 31.03.2016 | |
| | Nos. | Rs. Lacs | Nos. | Rs. Lacs |
| Reconciliation of the number of shares | | | | |
| Outstanding at the beginning of the year | 25040532 | 2504.05 | 25040532 | 2504.05 |
| Add: Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 25040532 | 2504.05 | 25040532 | 2504.05 |

Shareholders holding more than 5% of the Equity Shares in the Company

| | | |
|---|----------|----------|
| a) Mod Fashions and Securities Private Ltd. | | |
| Number of shares | 12010267 | 12010267 |
| % of holding | 47.96 | 47.96 |
| b) Witta International Inc. | | |
| Number of shares | 2554078 | 2554078 |
| % of holding | 10.20 | 10.20 |
| c) Kinborough Ltd. | | |
| Number of shares | 5739451 | 5739451 |
| % of holding | 22.92 | 22.92 |

Terms/Rights attached to Shares

Equity Shares:

The Company has only one class of Equity Shares having a par value of Rs.10 per Share. Each holder of Equity Share is entitled to one vote per share.

Redeemable Cumulative Preference Shares:

Preference Shares shall rank in priority to the Equity Shares including arrears, if any. In the event of the winding up of the Company, these shares shall not be entitled to any further participation in the profits or surplus assets of the company. Preference Shares are entitled to one vote per share at the meetings of the company only in respect of resolutions directly affecting their rights.

RESERVES AND SURPLUS

Note-2

| PARTICULARS | As At | As At |
|---|------------------------|------------------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| a. Capital Reserve | | |
| (On Forfeiture/re-issue of Debentures) | | |
| At the commencement/end of the year | 19.26 | 19.26 |
| b. Security Premium Reserve | | |
| At the commencement/end of the year | 5782.32 | 5782.32 |
| c. Surplus/(Deficit) in Statement of Profit and Loss | | |
| At the commencement of the year | 5893.40 | 5370.54 |
| Add: Profit for the year | 711.40 | 522.86 |
| | <u>6604.80</u> | <u>5893.40</u> |
| At the end of the year | | |
| | <u>6604.80</u> | <u>5893.40</u> |
| TOTAL | <u>12406.38</u> | <u>11694.98</u> |

LONG-TERM BORROWINGS

Note-3

| PARTICULARS | As At | As At |
|--|----------------------|---------------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Term Loan from Others (Secured)* | 136.87 | 50.15 |
| Less: Current Maturities of Long-Term Debt | (30.74) | (11.54) |
| | <u>106.13</u> | <u>38.61</u> |
| TOTAL | <u>106.13</u> | <u>38.61</u> |

*Includes:

Secured by hypothecation of Vehicles:

- Term Loan of Rs. 38.62 Lacs (Previous year Rs. 50.15 Lacs) repayable in equated monthly instalment of Rs.1,34,933/- each (including interest). Final instalment due in December 2019. Interest payable @10.35% p.a. on monthly rest.
- Term Loan of Rs. 98.25 Lacs (Previous year Rs.Nil) repayable in equated monthly instalment of Rs.2,39,696/- each (including interest). Final instalment due in August 2021. Interest payable @11.99% p.a. on monthly rest.

OTHER LONG TERM LIABILITIES

Note-4

| PARTICULARS | As At | As At |
|-------------------|---------------------|---------------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Others: | | |
| Security Deposits | 35.03 | 35.03 |
| Duties and Taxes | 3.05 | 13.87 |
| | <u>38.08</u> | <u>48.90</u> |
| TOTAL | <u>38.08</u> | <u>48.90</u> |



SHORT-TERM BORROWINGS

Note-5

| PARTICULARS | As At | As At |
|------------------------------------|---------------|---------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Other Loans and Advances (Secured) | | |
| - Inter Corporate Deposits* | 250.00 | 250.00 |
| TOTAL | 250.00 | 250.00 |

* Rs.250 lacs (Previous year Rs. 250 lacs) payable @ 50% of Rs.500 lacs to M/s Morgan Securities & Credit Pvt.Ltd.as per BIFR SS-08, secured by personal guarantees of two erstwhile Managing Directors.

TRADE PAYABLES

Note-6

| PARTICULARS | As At | As At |
|-----------------|---------------|---------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Trade Payables* | 447.33 | 447.33 |
| TOTAL | 447.33 | 447.33 |

* Includes:-

- 1) Rs. 136.62 lacs (Previous year Rs. 136.62 lacs) being 20% of the principal outstanding 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. No further liability towards lease rent has been provided after September, 2007 since the premises are sealed by the Official Liquidator of MEPL. Legal recourse for re possession of plant is being actively followed. The matter is pending before Hon'ble Allahabad High Court.
- 2) Rs. 310.71 lacs (Previous year Rs. 310.71 lacs) being 50% of the principal outstanding of Rs. 621.42 lacs due to M/s Continental Carbon India Ltd., payable as per settlement term stated in BIFR SS-08 which the party is not accepting and the matter is pending before the Hon'ble Supreme Court.

OTHER CURRENT LIABILITIES

Note-7

| PARTICULARS | As At | As At |
|--------------------------------------|----------------|----------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Current Maturities of Long-Term Debt | 30.74 | 11.54 |
| Sundry Creditors | 306.68 | 236.89 |
| Expenses Payable | 585.06 | 374.55 |
| Duties and Taxes | 2376.57 | 2408.66 |
| Security Deposits | 9.31 | 9.31 |
| Gratuity Payable | 0.00 | 12.43 |
| Compensation Payable to Employees | 276.15 | 283.25 |
| TOTAL | 3584.51 | 3336.63 |

FIXED ASSETS NOTE - 8

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|-------------------|---------------|----------------------------|--------------------|-------------------|-----------------|----------------------------|-------------------|--------------------|--------------------|
| | As At 1.4.2016 | Additions | Adjustments/ Deductions | As At 31.3.2017 | Upto 31.3.2016 | For the Year | Adjustments/ Deductions | Upto 31.3.2017 | As At 31.3.2017 | As At 31.3.2016 |
| | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs |
| Property, Plant and Equipment | | | | | | | | | | |
| Land - Free Hold | 99.28 | 0.00 | 0.00 | 99.28 | 0.00 | 0.00 | 0.00 | 0.00 | 99.28 | 99.28 |
| Land - Lease Hold | 127.53 | 0.00 | 0.00 | 127.53 | 0.00 | 0.00 | 0.00 | 0.00 | 127.53 | 127.53 |
| Land and Buildings* | 2239.22 | 0.00 | 0.00 | 2239.22 | 1821.13 | 21.05 | 0.00 | 1842.17 | 397.05 | 418.09 |
| Machinery | 3558.48 | 0.00 | 0.00 | 3558.48 | 3380.56 | 0.00 | 0.00 | 3380.56 | 177.92 | 177.92 |
| Motor Vehicles | 209.95 | 146.67 | 0.00 | 356.62 | 100.72 | 63.35 | 0.00 | 164.07 | 192.55 | 109.23 |
| Furniture Fixture | 44.58 | 2.79 | - | 47.37 | 23.89 | 5.92 | - | 29.81 | 17.56 | 20.69 |
| Office Equipment & Electrical Installations etc. | 426.25 | 7.63 | 0.42 | 433.46 | 354.18 | 27.11 | 0.29 | 381.00 | 52.47 | 72.08 |
| TOTAL (A) | 6705.29 | 157.09 | 0.42 | 6861.96 | 5680.47 | 117.43 | 0.29 | 5797.60 | 1064.35 | 1024.82 |
| Previous Year | 6612.99 | 100.99 | 8.69 | 6705.29 | 5586.96 | 102.12 | 8.62 | 5680.47 | 1024.82 | 1026.03 |
| Intangible Assets | | | | | | | | | | |
| Computer Software | 8.30 | 0.81 | 0.00 | 9.11 | 3.92 | 2.87 | 0.00 | 6.79 | 2.32 | 4.38 |
| TOTAL (B) | 8.30 | 0.81 | 0.00 | 9.11 | 3.92 | 2.87 | 0.00 | 6.79 | 2.32 | 4.38 |
| Previous Year | 0.00 | 8.30 | 0.00 | 8.30 | 0.00 | 3.92 | 0.00 | 3.92 | 4.38 | 0.00 |
| GRAND TOTAL (A+B) | 6713.59 | 157.89 | 0.42 | 6871.06 | 5684.39 | 120.29 | 0.29 | 5804.39 | 1066.67 | 1029.20 |
| Previous Year | 6612.99 | 109.29 | 8.69 | 6713.59 | 5586.96 | 106.05 | 8.62 | 5684.39 | 1029.20 | 1026.03 |

**Gross Block
Rs.lacs**

*Land and Buildings include on Leasehold basis

710.22

INVESTMENT PROPERTIES NOTE - 9

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|----------------------|-------------------|-------------|----------------------------|--------------------|-------------------|-----------------|----------------------------|-------------------|--------------------|--------------------|
| | As At 1.4.2016 | Additions | Adjustments/ Deductions | As At 31.3.2017 | Upto 31.3.2016 | For the Year | Adjustments/ Deductions | Upto 31.3.2017 | As At 31.3.2017 | As At 31.3.2016 |
| | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs |
| Land - Free Hold | 87.48 | 0.00 | 0.00 | 87.48 | 0.00 | 0.00 | 0.00 | 0.00 | 87.48 | 87.48 |
| Land & Buildings** | 756.58 | 0.00 | 0.00 | 756.58 | 600.72 | 7.42 | 0.00 | 608.13 | 148.45 | 155.86 |
| GRAND TOTAL | 844.06 | 0.00 | 0.00 | 844.06 | 600.72 | 7.42 | 0.00 | 608.13 | 235.93 | 243.34 |
| Previous Year | 844.06 | 0.00 | 0.00 | 844.06 | 592.93 | 7.79 | 0.00 | 600.72 | 243.34 | 251.13 |

**Gross Block
Rs.lacs**

**Land and Buildings include :-

- Alongwith cost of land on which depreciation charged on total cost 12.52
- For which conveyance deed is yet to be executed
(15, Friends Colony West, New Delhi) 98.73
- 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. 165.00



NON-CURRENT INVESTMENTS

Note-9 A

| PARTICULARS | As At | |
|---|----------------|----------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| A. Investment Properties | | |
| (At Cost) (Refer Note 9) | | |
| Net Block | | |
| - Land | 87.48 | 87.48 |
| - Land and Buildings | 148.45 | 155.86 |
| Sub Total (A) | 235.93 | 243.34 |
| B. Investment In Equity Instruments- Fully paid up | | |
| Quoted (At Cost) | | |
| Other Investments | | |
| No.of Shares/Units | | |
| 197999 Lords Chloro Alkali Ltd. of Rs. 10 each | 19.80 | 19.80 |
| (197999) | | |
| 680001 Bihar Sponge Iron Ltd. of Rs. 10 each | 68.00 | 68.00 |
| (680001) | | |
| 92750 Infosys Limited of Rs.5 each (Bonus Shares) | 0.00 | 0.00 |
| (92750) | | |
| SUB TOTAL | 87.80 | 87.80 |
| Unquoted (At Cost) | | |
| Trade Investments | | |
| 11475000 Modistone Ltd. of Rs. 10 each* | 2137.50 | 2137.50 |
| (11475000) Less : Provision for diminution in Value of Shares | (2137.50) | (2137.50) |
| 33350000 Gujarat Guardian Ltd. of Rs. 10 each*** | 3335.00 | 3335.00 |
| (33350000) | | |
| 29915 Superior Investment (India) Ltd. of Rs. 100 each** | 29.92 | 29.92 |
| (29915) | | |
| 29915 Spin Investment (India) Ltd. of Rs. 100 each** | 29.92 | 29.92 |
| (29915) | | |
| 14700000 Asahi Modi Materials Pvt. Ltd. of Rs. 10 each*** | 1470.00 | 1470.00 |
| (14700000) | | |
| Other Investments | | |
| 3137000 Xerox India Ltd.of Rs. 10 each | 459.30 | 459.30 |
| (3137000) | | |
| 1250000 Spark Plug Ltd. of Rs. 10 each | 125.00 | 125.00 |
| (1250000) Less : Provision for diminution in value of shares | (125.00) | (125.00) |
| SUB TOTAL | 5324.14 | 5324.14 |
| SUB TOTAL (B) | 5647.87 | 5655.28 |

Contd.: Note-9A

| PARTICULARS | As At | |
|--|----------------|----------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| C. Investment In Government or Trust Securities | | |
| Unquoted (At cost) | | |
| Other Investments | | |
| 12.30% Central Government Stock, 2016 | 0.00 | 14.00 |
| 12.60% Central Government Stock, 2018 | 12.00 | 12.00 |
| SUB TOTAL (C) | 12.00 | 26.00 |
| TOTAL (A+B+C) | 5659.87 | 5681.28 |
| Aggregate Value of Quoted Investments | 87.80 | 87.80 |
| Aggregate Market Value of Quoted Investments | 1022.76 | 1203.98 |
| Aggregate Gross Value of Unquoted Investments | 7598.64 | 7612.64 |
| Aggregate Value of Provision for Diminution in Value of Unquoted Investments | 2262.50 | 2262.50 |
| Aggregate Net Value of Unquoted Investments | 5336.14 | 5350.14 |
| Figures in brackets are in respect of previous year | | |
| * Subsidiary Company | | |
| ** Wholly owned Subsidiary Company | | |
| *** Joint Venture | | |

DEFERRED TAX ASSETS (Net)**Note-10**

| PARTICULARS | As At | |
|---|----------------|----------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Deferred Tax Asset (Liability) | | |
| Carried Forward Business Losses/Unabsorbed Depreciation | 1693.93 | 1463.99 |
| Taxes and Duties | 618.76 | 624.78 |
| Depreciation and Amortization | (174.00) | (190.58) |
| Others | 15.69 | (41.55) |
| TOTAL | 2154.38 | 1856.64 |

LONG-TERM LOANS AND ADVANCES**Note-11**

| PARTICULARS | As At | |
|--|---------------|---------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| (unsecured, considered good unless otherwise specified) | | |
| Capital Advances | 197.90 | 84.08 |
| Security Deposits | 14.98 | 14.61 |
| Other Loans and Advances | 40.44 | 40.44 |
| Less: Provision for Doubtful Advances | (10.00) | (10.00) |
| MAT Credit Entitlement | 441.92 | 441.92 |
| TOTAL | 685.24 | 571.05 |



OTHER NON CURRENT ASSETS

Note-12

| PARTICULARS | As At 31.03.2017 | As At 31.03.2016 |
|---|---------------------|---------------------|
| | Rs. Lacs | Rs. Lacs |
| Balances with Banks | | |
| - in Fixed Deposits with maturity more than 12 months * (including interest accrued) | 4571.40 | 4475.79 |
| TOTAL | 4571.40 | 4475.79 |
| * Includes:- | | |
| In Escrow Accounts | 2723.46 | 2535.12 |
| Against Guarantee | 1300.00 | 1423.00 |
| As Margin Money | 547.94 | 517.67 |

CURRENT INVESTMENTS

Note-13

| PARTICULARS | As At 31.03.2017 | As At 31.03.2016 |
|--|---------------------|---------------------|
| | Rs. Lacs | Rs. Lacs |
| Investment in Mutual Funds -Fully Paid up | | |
| Quoted (Lower of Cost and Fair Value determined on individual Investment basis) | | |
| Other Investments | | |
| No. of Units | | |
| 5188579 Reliance R. S. Fund -Debt RG of Rs.10/- each (5188579) | 1000.00 | 1000.00 |
| 4920 SBI Premier Liquid Fund-R. Plan -Growth of Rs. 10/- each (Nil) | 125.00 | 0.00 |
| 1609776 Reliance Short Term Fund - Growth Plan of Rs.10/-each (2291833) | 397.76 | 566.15 |
| Nil Franklin India Short Term - IP-RP-Growth of Rs.10/- each (35360) | 0.00 | 1000.00 |
| TOTAL | 1522.76 | 2566.15 |
| Aggregate Value of Quoted Investments | 1522.76 | 2566.15 |
| Aggregate Market Value of Quoted Investments | 1796.89 | 2797.11 |

INVENTORIES

Note-14

| PARTICULARS | As At 31.03.2017 | As At 31.03.2016 |
|---|---------------------|---------------------|
| | Rs. Lacs | Rs. Lacs |
| (As taken, valued and certified by the management) | | |
| Raw Materials | 5.65 | 5.65 |
| Finished Goods | 0.95 | 0.95 |
| Stores,Spare Parts and Loose Tools | 68.82 | 68.82 |
| TOTAL | 75.42 | 75.42 |

TRADE RECEIVABLES

Note-15

| PARTICULARS | As At 31.03.2017 | As At 31.03.2016 |
|---|-----------------------------|-----------------------------|
| | Rs. Lacs | Rs. Lacs |
| (unsecured,considered good unless otherwise specified) | | |
| Debts outstanding for a | | |
| - period exceeding six months from the date they became due for payment | 272.18 | 157.44 |
| - others | 105.66 | 95.96 |
| TOTAL | 377.84 | 253.40 |
| Due from a Private Company in which one of the director of the Company, is a director | | |
| - Maple Bear Education Pvt. Ltd. | 19.94 | 4.82 |

CASH AND BANK BALANCES

Note-16

| PARTICULARS | As At 31.03.2017 | As At 31.03.2016 |
|---------------------------------|-----------------------------|-----------------------------|
| | Rs. Lacs | Rs. Lacs |
| Cash and Cash Equivalent | | |
| Balances with Banks | | |
| In Current Accounts | 103.79 | 155.44 |
| in Fixed Deposits | 31.73 | 0.00 |
| Cash on hand | 3.16 | 1.54 |
| SUB TOTAL (A) | 138.68 | 156.98 |
| Other Bank Balances | | |
| Balances with Banks | | |
| in Fixed Deposits | 63.83 | 69.17 |
| (Interest accrued but not due) | | |
| SUB TOTAL (B) | 63.83 | 69.17 |
| TOTAL (A+B) | 202.51 | 226.15 |

SHORT-TERM LOANS AND ADVANCES

Note-17

| PARTICULARS | As At 31.03.2017 | As At 31.03.2016 |
|---|-----------------------------|-----------------------------|
| | Rs. Lacs | Rs. Lacs |
| (unsecured,considered good unless otherwise specified) | | |
| Loans and Advances to a Related Party* | 2.26 | 2.26 |
| Duties and Taxes Paid Under Protest/Recoverable | 40.23 | 40.23 |
| Income-Tax /Wealth Tax (net of provisions) | 665.64 | 548.08 |
| Advances to Suppliers | 51.52 | 52.66 |
| Other Claims Recoverable | 321.79 | 431.31 |
| Staff Advances | 41.16 | 20.53 |
| Less:Provision for doubtful advances | (7.46) | (7.46) |
| TOTAL | 1115.14 | 1087.61 |
| * Associate: | | |
| - Vinura Beverages Pvt. Ltd. | 2.26 | 2.26 |



REVENUE FROM OPERATIONS NOTE - 18

| PARTICULARS | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|-------------------------------------|--------------------------|--------------------------|
| | Rs. Lacs | Rs. Lacs |
| Other Operating Revenue - Others | 515.08 | 538.70 |
| TOTAL | 515.08 | 538.70 |

OTHER INCOME NOTE - 19

| PARTICULARS | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|---|--------------------------|--------------------------|
| | Rs. Lacs | Rs. Lacs |
| Dividend Income | 1524.17 | 1360.81 |
| Interest Income | 199.01 | 162.00 |
| Net Gain/Loss on Sale of Investments | 173.36 | 244.91 |
| Profit on Sale of Fixed Assets (Net) | 0.00 | 26.14 |
| Excess Liabilities/Provisions/Sundry Balances Written Back/Off (Net) | 0.00 | 2.56 |
| Miscellaneous Income | 0.33 | 1.35 |
| TOTAL | 1896.87 | 1797.77 |

EMPLOYEE BENEFITS EXPENSE NOTE - 20

| PARTICULARS | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|--|--------------------------|--------------------------|
| | Rs. Lacs | Rs. Lacs |
| Salaries, Incentives and Allowances | 375.02 | 357.76 |
| Contributions to Provident and Other Funds | 20.90 | 30.45 |
| Staff Welfare Expense | 55.11 | 53.65 |
| TOTAL | 451.03 | 441.86 |

FINANCE COSTS NOTE - 21

| PARTICULARS | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|------------------|--------------------------|--------------------------|
| | Rs. Lacs | Rs. Lacs |
| Interest Expense | 11.91 | 5.88 |
| TOTAL | 11.91 | 5.88 |

DEPRECIATION AND AMORTIZATION EXPENSE NOTE - 22

| PARTICULARS | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|---|--------------------------|--------------------------|
| | Rs. Lacs | Rs. Lacs |
| Depreciation on Property, Plant and Equipment | 117.42 | 102.12 |
| Amortization of Intangible Assets | 2.87 | 3.92 |
| Depreciation on Investment Properties | 7.42 | 7.79 |
| TOTAL | <u>127.71</u> | <u>113.83</u> |

OTHER EXPENSES NOTE - 23

| PARTICULARS | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|---|--------------------------|--------------------------|
| | Rs. Lacs | Rs. Lacs |
| Rent | 45.57 | 59.70 |
| Repair & Maintenance - Buildings | 212.42 | 269.94 |
| Repairs & Maintenance - Others | 21.96 | 37.41 |
| Insurance | 10.80 | 7.86 |
| Rates & Taxes | 20.19 | 23.01 |
| Auditors' Remuneration: | | |
| Audit Fee | 6.90 | 6.87 |
| For Certificates etc. | 2.10 | 2.04 |
| For Expenses | <u>0.50</u> | 0.50 |
| Legal & Professional Charges | 362.68 | 411.13 |
| Travelling & Conveyance | 192.14 | 192.90 |
| Electricity & Water | 98.13 | 84.78 |
| Vehicle Expenses | 25.66 | 21.60 |
| Communication Expenses | 19.84 | 19.16 |
| Excess Liabilities/Provisions/Sundry Balances | | |
| Written Off/Back (Net) | 102.34 | 0.00 |
| Profit on Sale of Fixed Assets (Net) | 0.02 | 0.00 |
| Sales Tax Paid | 4.46 | 0.00 |
| Charges General | 147.23 | 145.20 |
| Business Promotion Expenses | 21.96 | 39.31 |
| Miscellaneous Expenses | 93.99 | 91.80 |
| TOTAL | <u>1388.89</u> | <u>1413.21</u> |



SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2017

Note -24

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on accrual basis, except in case of certain items of Income/Expenditure where recovery/payment is uncertain. The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Management evaluates all recently issued or revised accounting standards on an on-going basis.
2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and results of operations during the reported period end. Examples of such estimates includes provision for diminution in value of investments, provision for doubtful debts, future obligations under defined benefit obligations under employee retirement benefit plans, provision for income taxes and the useful lives of fixed and intangible assets. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates. Accordingly, estimated benefits against exports remaining to be utilised / liability for duty free raw materials excess utilised as at the end of the year has been accounted for in arriving at the consumption of raw materials.
3. Inventory Valuation
 - (a) Raw Materials Lower of cost or net realizable value
 - (b) Goods-in-process Lower of Cost or net realisable value.
 - (c) Finished Goods Lower of Cost or net realisable value.
 - (d) Stores, Spares Parts and Loose Tools At weighted average cost.
 - (e) Scrap and Wastage At estimated selling price.

In respect of Finished goods and Goods in process, the cost is determined by considering material, related labour & overheads and duty thereon.
4. Fixed Assets
 - a) All Property, Plant and Equipment (PPE), capital work in progress are stated at cost (Buildings include cost of shares in a Co-operative Housing Society) less depreciation and accumulated impairment losses, if any. Interest on borrowed funds attributable to acquisition of Property, plant and equipment and revenue expenses incurred prior to installation are capitalised as part of assets cost. Own manufactured assets are capitalised at cost including estimated overheads.

Gains or losses arising from derecognition of property, plant and equipment 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

-
- b) 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.
5. Depreciation and Amortisation
- a) 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.
- b) Intangible assets are amortized on a straight line basis over the estimated useful economic life.
- c) 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.
Residual value of all the fixed assets is considered as 5% of gross value.
6. Investments
- a) Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.
- b) Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.
On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.
- c) An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of, the company, is classified as investment property. Investment properties are stated at cost (Buildings include cost of shares in a Co-operative Housing Society), net of accumulated depreciation and accumulated impairment losses, if any.
7. Revenue recognition
- Revenue is recognized to the extent that it is probable to be 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 to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. 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 is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
- 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.



8. Earnings per share
Basic earnings per share are 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. 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.
9. Research & Development
Revenue expenditure on research and development is charged as expense in the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets.
10. Foreign Exchange Transactions
Foreign currency transactions are accounted at exchange rates prevailing on the date of transaction. Current Assets and Liabilities denominated in foreign currency as at the Balance Sheet date are reconverted at rates prevailing at the year-end and the resultant net gains or losses are adjusted in the Account.
11. Retirement Benefits
Retirement benefits are dealt with in the following manner:
a) Contributions to Provident Fund are accounted on accrual basis with corresponding contribution to recognised funds for staff on actual duty.
b) Provision for Gratuity liability is made on the basis of actuarial valuation, with corresponding contribution to recognised fund for staff on actual duty.
12. 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 liability is disclosed in the case of:
i) a present obligation from the past event when it is not probable that an outflow of resources will be required to settle the obligation;
ii) a possible obligation, unless the probability of outflow is remote;
Contingent assets are not recognised in the financial statements.
13. 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.

B. CONTINGENT LIABILITIES

| | As At 31/03/2017 Rs. Lacs | As At 31/03/2016 Rs. Lacs |
|-----------------------------------|---------------------------------|---------------------------------|
| 1. Guarantees/Bonds (Unconfirmed) | 1886.25 | 1779.25 |
| 2. Capital Commitments | - | 398.49 |
| 3. Excise /Customs /DGFT Matters | 1092.14 | 2356.14 |
| 4. Unsecured Creditors | 3608.80 | 3608.80 |
| 5. Workers and Employees | 1244.61 | 1203.52 |
| 6. Income Tax Act | 1743.54 | - |
| 7. Others | 1637.50 | 1637.50 |

C. NOTES

1. (a) 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.

- (b) BIFR vide its order dated 23.02.2010 discharged the company from the purview of SICA/ BIFR upon turning networth 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/ AAIFR 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.
2. 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.
3. (a) Provision for Income Tax is computed in accordance with the provisions of the Income Tax Act, 1961.
(b) Deferred Tax is recognized subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods.
4. Expenses and claims relating to previous year adjusted in respective accounts not separately shown are Rs. 4.64 lacs [previous year Rs. 16.92 lacs].
5. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with Interest paid/payable under this Act, has not been given.
6. Earnings per Share :

| | Year Ended 31/03/2017 | Year Ended 31/03/2016 |
|---|--------------------------|--------------------------|
| Profit after Tax (Rs. Lacs) | 711.40 | 522.86 |
| Basic number of equity shares | 25040532 | 25040532 |
| Basic earnings per share (Rs.) (Not Annualised) | 2.84 | 2.09 |

7. 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.
8. Related Parties Disclosures in accordance with Accounting Standard (AS – 18) of The Institute of Chartered Accountants of India.

| A) Subsidiary Companies: | % Holdings |
|---|------------|
| 1 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 |
| 2 Superior Investment (India) Ltd. | 100.00 |
| 3 Spin Investment (India) Ltd. | 100.00 |
| B) Joint Venture: | |
| 1 Gujarat Guardian Ltd. | 21.24 |
| 2 Asahi Modi Materials Pvt. Ltd. | 49.00 |
| C) Associate: | |
| 1 Vinura Beverages Pvt. Ltd. (An Associate of a wholly owned subsidiary) | |



| D) Key Management Personnel: | % Holdings |
|--|-------------------|
| 1 Mr. Alok Kumar Modi-Managing Director | |
| 2 Miss Piya Modi-Whole Time Director | |
| 3 Mr. Sanjeev Kumar Bajpai-Company Secretary | |
| 4 Mr. Kamal Gupta-Chief Financial Officer (CFO) | |
| E) Relatives of Key Management Personnel | |
| 1 Mr. Vinay Kumar Modi (Father of Mr. Alok Kumar Modi) | |
| 2 Mrs. Chander Bala Modi (Mother of Mr. Alok Kumar Modi) | |
| 3 Mrs. Archana Singhania (Sister of Mr. Alok Kumar Modi) | |
| 4 Mrs. Ritika Modi (Wife of Mr. Alok Kumar Modi) | |
| F) Enterprises in which relatives of Key Management Personnel has significant influence | |
| 1 Leaf Investment Pvt. Ltd. | |
| 2 Mod Fashions and Securities Pvt. Ltd. | |
| 3 Uniglobe Mod Travels Pvt. Ltd. | |
| 4 Uniglobe Travel (South Asia) Pvt. Ltd. | |

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

| A) Subsidiaries: | 31/03/2017 | 31/03/2016 |
|---|-------------------|-------------------|
| | Rs. Lacs | Rs. Lacs |
| i) Expenses incurred on behalf | 52.29 | Nil |
| ii) Transfer of Assets/Liabilities (Net) | (52.29) | Nil |
| iii) Receivable at the year end | Nil | Nil |
| B) Joint Venture: | | |
| i) Income Received | 1528.19 | 1337.56 |
| ii) Expenses incurred on behalf | (6.11) | (8.48) |
| iii) Transfer of Assets/Liabilities (Net) | (1498.66) | (1326.21) |
| iv) Receivable/(Payable) at the year end | 23.66 | 0.23 |
| C) Associate: | | |
| i) Income Received | Nil | 0.03 |
| ii) Expenses incurred on behalf | Nil | Nil |
| iii) Receivable at the year end | 2.26 | 2.26 |
| D) Key Management Personnel | | |
| i) Remuneration Paid | 128.37 | 89.37 |
| E) Others: | | |
| i) Income Received | 66.70 | 53.95 |
| ii) Transfer of Assets/Liabilities (Net) | 75.65 | 106.78 |
| iii) Expenses incurred on behalf | 81.82 | 103.21 |
| iv) Payable/(Receivable) at the year end | (155.89) | (95.37) |

9. Due to non availability of technical evaluation of the plant at Modinagar, the value of impairment loss on assets as per Accounting Standard 28, issued by the Institute of Chartered Accountants of India, has not been ascertained.

10. The company adopted Accounting Standard 15 (Revised) issued by The Institute of Chartered Accountants of India.

Contribution for Employees Benefit:

Defined Contribution Plans

- a. Provident Fund
- b. State Defined Contribution Plans
 - Employees Pension Scheme 1995

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 31st March, 2017

| | 31/03/2017 | 31/03/2016 |
|--|-------------------|-------------------|
| | Rs. Lacs | Rs. Lacs |
| (a) Contribution to Provident Fund | 16.79 | 13.46 |
| (b) Contribution to Employee Pension Scheme 1995 | 2.46 | 2.40 |

Defined benefit plans**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. Liabilities with regards to the Gratuity Plan are determined by actuarial valuation.

| ANNEXURE I | | |
|---|--------------------|--------------------|
| Funded Status of the Plan | 31-Mar-2017 | 31-Mar-2016 |
| | Rs. Lacs | Rs. Lacs |
| Present value of unfunded obligations | - | - |
| Present value of funded obligations | 120.02 | 129.32 |
| Fair value of plan assets | 145.84 | 127.24 |
| Net Liability (Asset) | (25.82) | 2.08 |
| ANNEXURE II | | |
| Statement of Profit and Loss | | |
| Current Service Cost | 5.13 | 5.02 |
| Interest on Obligation | 7.79 | 9.12 |
| Expected Return on Plan Assets | (11.58) | (9.49) |
| Net Actuarial Loss/(Gain)* | (16.82) | (7.02) |
| Past Service cost | - | - |
| Losses/(Gains) on Curtailments and Settlement | - | - |
| Total included in 'Employee Benefit Expense' | (15.47) | (2.38) |
| Expenses deducted from the fund | 0.00 | 0.13 |
| Total Charge to P&L | (15.47) | (2.25) |
| * Loss/(Gain) on Obligation as per Annexure III | (8.94) | 1.08 |
| Loss/(Gain) on Assets as per annexure IV | (7.87) | (8.10) |
| Net actuarial Loss/(Gain) | (16.81) | (7.02) |



| | 31-Mar-2017 Rs. Lacs | 31-Mar-2016 Rs. Lacs |
|---|--------------------------------|--------------------------------|
| ANNEXURE III | | |
| Reconciliation of Defined Benefit Obligation | | |
| Opening Defined Benefit Obligation | 129.32 | 123.90 |
| Current service cost | 5.13 | 5.02 |
| Interest cost | 7.79 | 9.12 |
| Actuarial losses (gains) | (8.94) | 1.08 |
| Past Service Cost | - | - |
| Losses (gains) on curtailments | - | - |
| Liabilities extinguished on settlements | - | - |
| Benefits Paid | (13.28) | (3.55) |
| Benefits Payable | - | (6.23) |
| Closing Defined Benefit Obligation | 120.02 | 129.32 |
| *Accrued gratuity of resigned employees have been included in Defined Benefit Obligation. | | |
| ANNEXURE IV | | |
| Reconciliation of Plan Assets | | |
| Opening Value of Plan Assets | 127.24 | 123.11 |
| Adjustment to the Opening fund | - | - |
| Transfer in/(out) plan assets | - | (257.53) |
| Expenses deducted from the fund | (0.00) | (0.13) |
| Expected return | 11.58 | 9.49 |
| Actuarial gains and (losses) | 7.87 | 8.10 |
| Contributions by employer | 12.43 | 247.75 |
| Benefits paid | (13.28) | (3.55) |
| Closing Value of Plan Assets | 145.84 | 127.24 |
| <i>The actual return on the assets is Rs. 19.45 Lakhs</i> | | |
| ANNEXURE V | | |
| Reconciliation of net defined benefit liability | | |
| Net Opening Provision in Books of Accounts | 2.08 | 0.79 |
| Transfer in/ (out) obligation | - | - |
| Transfer (in)/ out plan assets | - | 257.53 |
| Charge to P&L as per Annexure II | (15.47) | (2.25) |
| | (13.39) | 256.07 |
| Benefits Paid by the Company | - | - |
| Contributions to Plan Assets | (12.43) | (247.75) |
| | | (6.23) |
| Closing Provision in Books of Accounts | (25.82) | 2.08 |

| ANNEXURE VI | | |
|--|---|---|
| Bifurcation of Liability as per Schedule III | 31-Mar-2017 Rs. Lacs | 31-Mar-2016 Rs. Lacs |
| Current Liability* | (25.82) | 2.08 |
| Non-Current Liability | - | - |
| Net Liability | (25.82) | 2.08 |
| * The current liability is calculated as expected reduction in contributions for the next 12 months. | | |
| ANNEXURE VII | | |
| Table of Experience Adjustments | | |
| Defined Benefit Obligation | 120.02 | 129.32 |
| Plan Assets | 145.84 | 127.24 |
| Surplus/(Deficit) | 25.82 | (2.08) |
| Experience Adjustments on Plan Liabilities | (11.88) | 0.27 |
| Actuarial Loss/(Gain) due to change in assumptions | 2.93 | 0.80 |
| Experience Adjustments on Plan Assets | (7.87) | (8.10) |
| Net Actuarial Loss/ (Gain) for the year | (16.81) | (7.02) |
| ANNEXURE VIII | | |
| Composition of the Plan Assets | | |
| | % | % |
| Government of India Securities | 0% | 0% |
| State Government Securities | 0% | 0% |
| High quality corporate bonds | 0% | 0% |
| Equity shares of listed companies | 0% | 0% |
| Property | 0% | 0% |
| Fixed Deposit Scheme | 100% | 100% |
| Policy of insurance | 0% | 0% |
| Bank Balance | 0% | 0% |
| Other Investments | 0% | 0% |
| ANNEXURE IX | | |
| Principle Actuarial Assumptions | | |
| Discount Rate | 6.55% | 7.55% |
| Expected Return on Plan Assets | 6.55% | 7.55% |
| Salary Growth Rate | 5.25% | 5.25% |
| Withdrawal Rates | 5% at younger ages reducing to 1% at older ages | 5% at younger ages reducing to 1% at older ages |



Appendix A: Category wise breakup of the defined benefit obligation

| Category | DBO (in Rs. lacs) |
|-------------------------------------|-------------------|
| MRL- Workers | 34.00 |
| MRL- Staff | 6.86 |
| Delhi | 73.48 |
| Accrued gratuity for left employees | 5.67 |
| Total | 120.02 |

11. Expenditure in foreign currency:-

| | Year Ended 31/03/2017 | Year Ended 31/03/2016 |
|-----------------------------------|--------------------------|--------------------------|
| Travelling Expenses (Rs. In Lacs) | 84.16 | 84.79 |

12. As per Schedule III of Companies Act 2013 by notification No. G.S.R 308(E), under the heading of General Instruction for Preparation of Balance Sheet, disclosure related to old currency notes of INR 500 & INR 1000 held and transacted during November 8, 2016 to December 31, 2016, is given below:

(Rs. lacs)

| Particulars | SBNs | Other denomination notes | Total |
|--|------|--------------------------|-------|
| Closing cash in hand as on November 8, 2016 | 4.47 | 1.24 | 5.71 |
| + Permitted receipts (withdrawal from banks) | - | 6.70 | 6.70 |
| - Permitted Payments | 0.39 | 3.64 | 4.03 |
| - Amount deposited in banks | 4.08 | - | 4.08 |
| Closing cash in hand as on December 30, 2016 | - | 4.30 | 4.30 |

13. During the current year the Company has regrouped/ reclassified some of its fixed assets (land and land & buildings) into Investment Property under the heading Non-Current Investments to comply with the requirement of Accounting Standard (AS) 10 (Revised) 'Property, Plant and Equipment' issued by the Institute of Chartered Accountants of India.

14. Previous year figures have been regrouped/ reclassified wherever necessary, to conform to this year's classification

15. Note 1 to 24 form an integral part of the Balance Sheet and Statement of Profit and Loss and have been duly authenticated.

| | | | |
|--|---|--|--|
| | As per our Report Attached For P D M and Company (Firm Registration No. 007966N) Chartered Accountants | Alok Modi Managing Director | S.K. Bajpai Head-Legal & Company Secretary |
| Place : New Delhi Date : 29th May, 2017 | CA. Prabhat Jain Partner (M.No. 086756) | K.S. Bains Arvind Nath Seth Piya Modi Directors | Kamal Gupta Chief Financial Officer |

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Members of Modi Rubber Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Modi Rubber Limited ("the Company"), its subsidiaries and its jointly controlled entities, hereinafter referred to as the "Group" (refer S. No. B-2 of Note-29 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 consolidated financial statements to give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the group 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 financial statements by the Directors of the Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due

to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 consolidated financial statements.

We believe that the audit evidences obtained by us and the audit evidences obtained by the other auditors referred to in the 'Other Matter' paragraph below, are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the group as referred to in 'Other Matter' paragraph below, and to the best of our information and according to the explanations given to us, in our opinion, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Group as at March 31, 2017, and its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of two subsidiaries and a jointly controlled entity included in the consolidated financial statements, which constitute total assets of Rs. 7516.72 lacs and net assets of Rs. 7316.10 lacs as at March 31, 2017 and total revenue of Rs. 1352.94 lacs, net profit of Rs. 568.63 lacs and net cash outflows amounting to Rs. 167.14 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the reports of such other auditors.

We did not audit the financial statements of a jointly controlled entity viz Gujarat Guardian Ltd. (refer Point No. B.2.vi. of Note No. 29 to consolidated financial statements), included in the consolidated financial statements, which constitute total assets of Rs. 15342.72 lacs and net assets of Rs. 13792.12 lacs as at March 31, 2017 and total revenue of Rs. 14750.75 lacs, net profit of Rs. 2713.30 lacs and net cash inflows amounting to Rs. 830.36 lacs for the year then ended. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial



statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements.

Our opinion on the consolidated 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 certified by the Management.

Report on Other Legal and Regulatory Requirements

- 1 As required by section 143 (3) of the Act, we, to the extent applicable (except in the case of one jointly controlled entity where the unaudited financial statements have been considered for consolidation and in the absence of Auditor's Report, we are unable to comment on the compliance of section 143 (3) for the said jointly controlled entity), 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 of the aforesaid consolidated financial statements;
 - b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far 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 and the consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d. in our opinion, the aforesaid consolidated financial statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of written representations received from the directors of the Company as on March 31, 2017, and taken on record by the board of directors of the Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the directors of the group companies, is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - f. with respect to the adequacy of internal financial control over financial reporting of the Group and operating effectiveness of such control, refer to our separate report in Annexure which is based on the Auditors' Reports of the company, its subsidiary companies and jointly controlled companies incorporated in India. Our opinion is not modified in respect of this matter; 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, in our opinion and the best of information and according to the explanations given to us:

- the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group as at March 31, 2017;
- the group has made provision, as required under applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- there has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the group companies during the year ended March 31, 2017.
- the Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company, subsidiaries and its jointly controlled companies incorporated in india. Refer Point No. E.1.I. of Note No. 29 to the financial statements.

For **P D M and Company**
(Firm Registration No. 007966N)
Chartered Accountants

Place : New Delhi
Date : 18.08.2017

CA. Prabhat Jain
Partner
(M. No. 086756)

ANNEXURE REFERRED IN OUR REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF MODI RUBBER LIMITED FOR THE YEAR ENDED 31st MARCH, 2017

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"), its subsidiaries, its jointly controlled entities and its associate as at March 31, 2017, (except one jointly controlled entity viz. Gujarat Guardian Ltd.), in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company, its subsidiaries and its jointly controlled entities is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal controls 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 judgments, 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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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;

- c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company, its subsidiaries and its jointly controlled entities 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 March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness on the internal financial control over financial reporting insofar as it relates to its subsidiary companies, its associate company and jointly controlled companies, except in the case of one jointly controlled entity, where the unaudited accounts are considered for consolidation, incorporated in India, is based on the corresponding reports of the auditors of such companies.

For **P D M and Company**
(Firm Registration No. 007966N)
Chartered Accountants

Place : New Delhi
Date : 18.08.2017

CA. Prabhat Jain
Partner
(M. No. 086756)



BALANCE SHEET (CONSOLIDATED)

AS AT 31ST MARCH, 2017

| PARTICULARS | Note No. | As At 31.03.2017 | As At 31.03.2016 |
|------------------------------------|----------|------------------------|------------------------|
| | | Rs. Lacs | Rs. Lacs |
| I. EQUITY AND LIABILITIES | | | |
| (1) SHAREHOLDERS' FUNDS | | | |
| (a) Share Capital | 1 | 2504.05 | 2504.05 |
| (b) Reserves and Surplus | 2 | 33513.67 | 31358.12 |
| | | <u>36017.72</u> | <u>33862.17</u> |
| (2) NON-CURRENT LIABILITIES | | | |
| (a) Long-Term Borrowings | 3 | 106.13 | 39.97 |
| (b) Other Long Term Liabilities | 4 | 38.08 | 48.90 |
| (c) Long-Term Provisions | 5 | 25.23 | 5.30 |
| | | <u>169.44</u> | <u>94.17</u> |
| (3) CURRENT LIABILITIES | | | |
| (a) Short-Term Borrowings | 6 | 250.00 | 250.00 |
| (b) Trade Payables | 7 | 1590.66 | 1208.75 |
| (c) Other Current Liabilities | 8 | 4092.47 | 3867.09 |
| (d) Short-Term Provisions | 9 | 51.60 | 13.90 |
| | | <u>5984.73</u> | <u>5339.74</u> |
| TOTAL | | <u>42171.89</u> | <u>39296.08</u> |
| II. ASSETS | | | |
| (1) NON-CURRENT ASSETS | | | |
| (a) Fixed Assets | 10&10A | | |
| (i) Property, Plant and Equipment | | 5329.53 | 5972.90 |
| (ii) Intangible Assets | | 2.32 | 4.46 |
| (iii) Capital Work-in-Progress | | 3553.92 | 735.78 |
| (b) Non-Current Investments | 11 | 8886.00 | 9425.45 |
| (c) Deferred Tax Assets (Net) | 12 | 1967.27 | 1571.91 |
| (d) Long-Term Loans and Advances | 13 | 1052.35 | 810.36 |
| (e) Other Non Current Assets | 14 | 4771.92 | 4678.15 |
| | | <u>25563.31</u> | <u>23199.01</u> |
| (2) CURRENT ASSETS | | | |
| (a) Current Investments | 15 | 8272.01 | 9253.22 |
| (b) Inventories | 16 | 1799.42 | 1478.01 |
| (c) Trade Receivables | 17 | 1366.35 | 1187.93 |
| (d) Cash and Bank Balances | 18 | 1234.61 | 1024.13 |
| (e) Short-Term Loans and Advances | 19 | 3349.89 | 2984.87 |
| (f) Other Current Assets | 20 | 586.30 | 168.91 |
| | | <u>16608.58</u> | <u>16097.07</u> |
| TOTAL | | <u>42171.89</u> | <u>39296.08</u> |

Significant Accounting Policies and Other Notes on Financial Statements 1-29

| | | |
|---|--------------------------------|--|
| As per our Report Attached | Alok Modi Managing Director | V. K. Modi Chairman |
| For P D M and Company (Firm Registration No. 007966N) Chartered Accountants | K.S. Bains Director | S.K. Bajpai Head-Legal & Company Secretary |
| CA. Prabhat Jain Partner (M.No. 086756) | Piya Modi Director | Kamal Gupta Chief Financial Officer |
| Place : New Delhi Date : 18th August, 2017 | | |

STATEMENT OF PROFIT & LOSS (CONSOLIDATED)

FOR THE YEAR ENDED 31ST MARCH, 2017

| PARTICULARS | Note No. | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|--|----------|--------------------------|--------------------------|
| INCOME | | | |
| Revenue from Operations | 21 | Rs. Lacs 15360.69 | Rs.Lacs 14957.78 |
| Other Income | 22 | 1621.97 | 1137.40 |
| TOTAL | | 16982.66 | 16095.18 |
| EXPENSES | | | |
| Cost of Material Consumed | 23 | 4529.83 | 4278.92 |
| Purchase of Stock in Trade | | 102.44 | 264.62 |
| Change in Inventories of Finished Goods, Work in Progress and Stock in Trade | 24 | (321.45) | 46.86 |
| Employee Benefits Expense | 25 | 1577.13 | 1329.40 |
| Finance Costs | 26 | 22.16 | 21.06 |
| Depreciation and Amortization Expense | 27 | 708.45 | 690.06 |
| Other Expenses | 28 | 6972.77 | 7117.27 |
| TOTAL | | 13591.33 | 13748.19 |
| PROFIT BEFORE TAX | | 3391.33 | 2346.99 |
| Less/(Add): Tax Expense | | | |
| Current Tax | | | |
| - Provision for Tax | | 1329.59 | 903.87 |
| - Taxes paid/(Reversed) for earlier years (Net) | | 21.20 | 0.00 |
| - Wealth Tax | | 0.00 | (0.15) |
| - Mat Credit (Entitlement)/Utilisation | | (55.76) | 19.83 |
| - Mat Credit Entitlement written off | | 0.00 | 350.97 |
| Deferred Tax Liability/(Asset) | | (395.35) | (530.63) |
| PROFIT FOR THE YEAR | | 2491.65 | 1603.10 |
| Basic and Diluted Earnings Per Equity Share (in Rupees) (Not Annualised) | | 9.95 | 6.40 |
| Significant Accounting Policies and Other Notes on Financial Statements | 1-29 | | |

| | | | |
|--------------------------|---|--------------------------------|--|
| | As per our Report Attached | Alok Modi Managing Director | V. K. Modi Chairman |
| | For P D M and Company (Firm Registration No. 007966N) Chartered Accountants | K.S. Bains Director | S.K. Bajpai Head-Legal & Company Secretary |
| Place : New Delhi | CA. Prabhat Jain Partner | Piya Modi Director | Kamal Gupta Chief Financial Officer |
| Date : 18th August, 2017 | (M.No. 086756) | | |



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

| | 31/03/2017 | | 31/03/2016 | |
|--|------------|-----------------|------------|-----------------|
| | Rs.Lacs | Rs.Lacs | Rs.Lacs | Rs.Lacs |
| A. Cash Flow from operating activities | | | | |
| Net Profit before tax and extraordinary items | | 3,391.33 | | 2,346.99 |
| Add: Adjustments for: | | | | |
| Depreciation and Amortization | 708.45 | | 690.06 | |
| Interest Paid | 22.16 | | 21.06 | |
| Interest Income | (487.48) | | (472.74) | |
| Net(Profit)/Loss on Assets sold/discarded | 0.52 | | (23.86) | |
| Adjustment of Opening balance | (200.31) | | (127.03) | |
| Net(Profit)/Loss on Investments | (723.77) | | (277.73) | |
| MAT utilisation | 55.76 | | - | |
| Provision for Doubtful Debts | 79.28 | | 59.47 | |
| Provision for Leasehold land held for surrender | 127.43 | | - | |
| Share of Loss in Associate | - | | (29.99) | |
| Provision made for Diminution in value of Shares | - | | 9.00 | |
| Balances /Provisions not required Written off/(back) (Net) | 102.98 | | 4.65 | |
| Miscellaneous Income | - | | - | |
| Dividend Received | (355.99) | (670.97) | (312.18) | (459.29) |
| Operating profit/(Loss) before working capital changes | | 2,720.36 | | 1,887.70 |
| Adjustments for: | | | | |
| (Increase)/Decrease in Inventories | (321.41) | | 97.64 | |
| (Increase)/Decrease in Current Assets | 20.38 | | (1,665.96) | |
| Increase/(Decrease) in Current Liabilities and Provisions | 565.71 | | 866.34 | |
| Cash generated from operations before tax | | 264.68 | | (701.98) |
| Add : Taxes (paid)/refund | | 2,985.04 | | 1,185.72 |
| | | (1,338.24) | | (1,099.94) |
| Net cash generated from operating activities (A) | | 1,646.80 | | 85.78 |
| B. Cash flow from investing activities: | | | | |
| Interest Received | | 487.48 | | 472.74 |
| Dividend Received | | 355.99 | | 312.18 |
| (Increase)/Decrease in Fixed Deposit with Banks having maturity more than 3 months | | 338.83 | | (408.16) |
| Additions to Fixed assets/WIP | | (3,372.69) | | (1,479.04) |
| Proceeds from Sale of Fixed Assets | | 498.51 | | 394.77 |
| Purchase of Investment | | (14,503.98) | | (4,484.43) |
| Proceeds from Sale of Investments | | 15,759.78 | | 4,892.98 |
| Net cash generated from investing activities (B) | | (436.08) | | (298.96) |
| C. Cash Flow from financing activities: | | | | |
| Increase/(Decrease) in Borrowings | | 66.16 | | (37.73) |
| Increase/(Decrease) Other Non Current Assets/ Liabilities | | (474.01) | | (5.11) |
| Dividend distribution tax paid | | (135.79) | | (135.79) |
| Interest paid | | (22.16) | | (21.06) |
| Net cash used in financing activities (C) | | (565.80) | | (199.69) |
| Net increase/(decrease) in cash and cash equivalent(A+B+C) | | 644.92 | | (412.87) |
| Cash and cash equivalents as at the beginning of the year | | 525.85 | | 938.72 |
| Cash and cash equivalents as at the end of the year | | 1170.77 | | 525.85 |
| NOTES: 1. Cash and Cash equivalents includes. | | | | |
| Cash on Hand | | 3.46 | | 2.13 |
| Balance with Banks in: | | | | |
| - Current Accounts | | 252.21 | | 523.72 |
| - Cheque in Hand | | - | | - |
| - Fixed Deposits maturing within 3 months | | 915.10 | | - |
| TOTAL | | 1,170.77 | | 525.85 |
| 2. Previous period figures have been regrouped/rearranged wherever necessary so as to make them comparable with those of the current year. | | | | |

As per our Report Attached
For P D M and Company
(Firm Registration No. 007966N)
Chartered Accountants
CA. Prabhat Jain
Partner
(M.No. 086756)

Alok Modi
Managing Director
K.S. Bains
Director
Piya Modi
Director

V. K. Modi
Chairman
S.K. Bajpai
Head-Legal &
Company Secretary
Kamal Gupta
Chief Financial Officer

Place : New Delhi
Date : 18th August, 2017

SHARE CAPITAL

Note-1

| PARTICULARS | As At | |
|---|----------------|----------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Authorised | | |
| 50000000 Equity Shares of Rs.10 each | 5000.00 | 5000.00 |
| 200000 11% Redeemable Cumulative Preference Shares of Rs.100 each | 200.00 | 200.00 |
| TOTAL | 5200.00 | 5200.00 |
| Issued, Subscribed and Paid-up | | |
| 25040532 Equity Shares of Rs.10/- each Fully Paid up in Cash | 2504.05 | 2504.05 |
| TOTAL | 2504.05 | 2504.05 |

| PARTICULARS | As At | | As At | |
|---|-----------------|----------------|-----------------|----------------|
| | 31.03.2017 | | 31.03.2016 | |
| Reconciliation of the number of shares | Nos. | Rs. Lacs | Nos. | Rs. Lacs |
| Outstanding at the beginning of the year | 25040532 | 2504.05 | 25040532 | 2504.05 |
| Add: Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 25040532 | 2504.05 | 25040532 | 2504.05 |

Shareholders holding more than 5% of the Equity Shares in the Company

| | | |
|---|----------|----------|
| a) Mod Fashions and Securities Private Ltd. | | |
| Number of shares | 12010267 | 12010267 |
| % of holding | 47.96 | 47.96 |
| b) Witta International Inc. | | |
| Number of shares | 2554078 | 2554078 |
| % of holding | 10.20 | 10.20 |
| c) Kinborough Ltd. | | |
| Number of shares | 5739451 | 5739451 |
| % of holding | 22.92 | 22.92 |

Terms/Rights attached to Shares

Equity Shares:

The Company has only one class of Equity Shares having a par value of Rs.10 per Share. Each holder of Equity Share is entitled to one vote per share.

Redeemable Cumulative Preference Shares:

Preference Shares shall rank in priority to the Equity Shares including arrears, if any. In the event of the winding up of the Company, these shares shall not be entitled to any further participation in the profits or surplus assets of the company. Preference Shares are entitled to one vote per share at the meetings of the company only in respect of resolutions directly affecting their rights.



RESERVES AND SURPLUS

Note-2

| PARTICULARS | As At | As At |
|---|------------------------|------------------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| a. Capital Reserve | | |
| (On Forfeiture/re-issue of Debentures) | | |
| At the commencement/end of the year | 19.26 | 19.26 |
| b. Security Premium Reserve | | |
| At the commencement/end of the year | 5782.32 | 5782.32 |
| c. General Reserve | | |
| At the commencement/end of the year | 2132.43 | 2132.43 |
| d. Surplus/(Deficit) in Statement of Profit and Loss | | |
| At the commencement of the year | 23424.11 | 22113.81 |
| Add: Opening Balance Adjustments | (200.31) | (127.02) |
| Profit for the year | 2491.65 | 1603.10 |
| | <u>25715.45</u> | <u>23589.89</u> |
| Less: | | |
| Dividend Distribution Tax | 135.79 | 135.79 |
| Share of Loss in Associate | - | 29.99 |
| | <u>25579.66</u> | <u>23424.11</u> |
| At the end of the year | | |
| TOTAL | <u>33513.67</u> | <u>31358.12</u> |

LONG-TERM BORROWINGS

Note-3

| PARTICULARS | As At | As At |
|--|----------------------|---------------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Secured Term Loans from: | | |
| - Others* | 138.24 | 52.87 |
| Less: Current Maturities of Long-Term Debt | (32.11) | (12.90) |
| TOTAL | <u>106.13</u> | <u>39.97</u> |

*Includes:

Secured by hypothecation of Vehicles:

- i) Term Loan of Rs. 38.62 Lacs (Previous year Rs. 50.15 Lacs) repayable in equated monthly instalment of Rs.1,34,933/- each (including interest). Final instalment due in December 2019. Interest payable @10.35% p.a. on monthly rest.
- ii) Term Loan of Rs. 98.25 Lacs (Previous year Rs.Nil) repayable in equated monthly instalment of Rs.2,39,696/- each (including interest). Final instalment due in August 2021. Interest payable @11.99% p.a. on monthly rest.
- iii) Term Loan of Rs. Nil (Previous Year Rs. 2.72 Lacs). Total Vehicle Loan sanctioned of Rs. 4.12 Lacs (49% of Total Loan Value of Rs. 8.42 Lacs) repayable in 36 equated monthly instalment of Rs.13,409/- each (49% of Total monthly installment of Rs. 27,365/-) payable upto February 05, 2018 including interest of 10.96% p.a.

OTHER LONG TERM LIABILITIES

Note-4

| PARTICULARS | As At 31.03.2017 | As At 31.03.2016 |
|--------------------|-----------------------------|-----------------------------|
| | Rs. Lacs | Rs. Lacs |
| Others: | | |
| Security Deposits | 35.03 | 35.03 |
| Duties and Taxes | 3.05 | 13.87 |
| TOTAL | 38.08 | 48.90 |

LONG TERM PROVISIONS

Note-5

| PARTICULARS | As At 31.03.2017 | As At 31.03.2016 |
|---------------------------------|-----------------------------|-----------------------------|
| | Rs. Lacs | Rs. Lacs |
| Provision for Employee Benefits | | |
| - Gratuity | 23.09 | 4.79 |
| - Leave Encashment | 2.14 | 0.51 |
| TOTAL | 25.23 | 5.30 |

SHORT-TERM BORROWINGS

Note-6

| PARTICULARS | As At 31.03.2017 | As At 31.03.2016 |
|------------------------------------|-----------------------------|-----------------------------|
| | Rs. Lacs | Rs. Lacs |
| Other Loans and Advances (Secured) | | |
| - Inter Corporate Deposits* | 250.00 | 250.00 |
| TOTAL | 250.00 | 250.00 |

* Rs.250 lacs (Previous year Rs. 250 lacs) payable @ 50% of Rs.500 lacs to M/s Morgan Securities & Credit Pvt.Ltd.as per BIFR SS-08, secured by personal guarantees of two erstwhile Managing Directors.



TRADE PAYABLES

Note-7

| PARTICULARS | As At | As At |
|--------------------------------------|----------------|----------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Trade Payables* | | |
| - Due to Micro and Small Enterprises | 111.86 | 2.75 |
| - Others* | 1478.80 | 1206.00 |
| TOTAL | 1590.66 | 1208.75 |

* Includes:-

- Rs. 136.62 lacs (Previous year Rs. 136.62 lacs) being 20% of the principal outstanding 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. No further liability towards lease rent has been provided after September, 2007 since the premises are sealed by the Official Liquidator of MEPL. Legal recourse for re possession of plant is being actively followed. The matter is pending before Hon'ble Allahabad High Court.
- Rs. 310.71 lacs (Previous year Rs. 310.71 lacs) being 50% of the principal outstanding of Rs. 621.42 lacs due to M/s Continental Carbon India Ltd., payable as per settlement term stated in BIFR SS-08 which the party is not accepting and the matter is pending before the Hon'ble Supreme Court.

OTHER CURRENT LIABILITIES

Note-8

| PARTICULARS | As At | As At |
|--------------------------------------|----------------|----------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Current Maturities of Long-Term Debt | 32.11 | 12.90 |
| Sundry Creditors | 337.76 | 339.02 |
| Advance from Customers | 74.87 | 60.03 |
| Expenses Payable | 630.37 | 452.29 |
| Duties and Taxes | 2431.10 | 2453.91 |
| Security Deposits | 196.88 | 185.94 |
| Excise Duty on Finished Goods | 113.22 | 67.31 |
| Gratuity Payable | 0.00 | 12.43 |
| Unpaid Dividend Account | 0.01 | 0.01 |
| Compensation Payable to Ex-employees | 276.15 | 283.25 |
| TOTAL | 4092.47 | 3867.09 |

SHORT TERM PROVISIONS

Note-9

| PARTICULARS | As At | As At |
|---------------------------------|--------------|--------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Provision for Employee Benefits | | |
| - Gratuity | 51.54 | 13.90 |
| - Leave Encashment | 0.06 | 0.00 |
| TOTAL | 51.60 | 13.90 |

FIXED ASSETS (CONSOLIDATED)
NOTE - 10

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|-------------------|----------------|----------------------------|--------------------|-------------------|-----------------|----------------------------|-------------------|--------------------|--------------------|
| | As At 1.4.2016 | Additions | Adjustments/ Deductions | As At 31.3.2017 | Upto 31.3.2016 | For the Year | Adjustments/ Deductions | Upto 31.3.2017 | As At 31.3.2017 | As At 31.3.2016 |
| | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs |
| Property, Plant and Equipment | | | | | | | | | | |
| Land - Free Hold | 99.50 | 0.00 | 0.00 | 99.50 | 0.00 | 0.00 | 0.00 | 0.00 | 99.50 | 99.50 |
| Land - Lease Hold | 756.59 | 0.00 | 499.43 | 257.16 | 21.68 | 4.25 | 14.71 | 11.22 | 245.94 | 734.91 |
| Land and Buildings* | 4141.80 | 205.85 | 0.00 | 4347.65 | 2703.65 | 110.60 | 0.00 | 2814.25 | 1533.40 | 1438.15 |
| Machinery | 15096.45 | 160.94 | 0.00 | 15257.39 | 11791.88 | 434.08 | 0.00 | 12225.96 | 3031.43 | 3304.57 |
| Motor Vehicles | 284.81 | 151.27 | 51.94 | 384.14 | 141.71 | 70.80 | 37.74 | 174.77 | 209.37 | 143.10 |
| Furniture Fixture | 102.20 | 4.68 | 0.00 | 106.88 | 62.55 | 10.38 | 0.00 | 72.93 | 33.95 | 39.65 |
| Office Equipment & Electrical Installations etc. | 1382.87 | 31.02 | 0.42 | 1413.47 | 1169.85 | 67.97 | 0.29 | 1237.53 | 175.94 | 213.02 |
| TOTAL (A) | 21864.22 | 553.76 | 551.79 | 21866.19 | 15891.32 | 698.08 | 52.74 | 16536.66 | 5329.53 | 5972.90 |
| Previous Year | 20409.09 | 1470.71 | 15.58 | 21864.22 | 15225.35 | 678.24 | 12.27 | 15891.32 | 5972.90 | 5183.74 |
| Intangible Assets | | | | | | | | | | |
| Computer Software | 8.83 | 0.81 | 0.00 | 9.64 | 4.37 | 2.95 | 0.00 | 7.32 | 2.32 | 4.46 |
| TOTAL (B) | 8.83 | 0.81 | 0.00 | 9.64 | 4.37 | 2.95 | 0.00 | 7.32 | 2.32 | 4.46 |
| Previous Year | 0.49 | 8.34 | 0.00 | 8.83 | 0.34 | 4.03 | 0.00 | 4.37 | 4.46 | 0.15 |
| GRAND TOTAL (A+B) | 21873.05 | 554.56 | 551.79 | 21875.82 | 15895.69 | 701.03 | 52.74 | 16543.98 | 5331.84 | 5977.36 |
| Previous Year | 20409.58 | 1479.05 | 15.58 | 21873.05 | 15225.69 | 682.27 | 12.27 | 15895.69 | 5977.36 | 5183.89 |

Gross Block
Rs.lacs
710.22

*Land and Buildings include on Leasehold basis

INVESTMENT PROPERTIES
NOTE - 10A

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|----------------------|-------------------|-------------|----------------------------|--------------------|-------------------|-----------------|----------------------------|-------------------|--------------------|--------------------|
| | As At 1.4.2016 | Additions | Adjustments/ Deductions | As At 31.3.2017 | Upto 31.3.2016 | For the Year | Adjustments/ Deductions | Upto 31.3.2017 | As At 31.3.2017 | As At 31.3.2016 |
| | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs |
| Land - Free Hold | 87.48 | 0.00 | 0.00 | 87.48 | 0.00 | 0.00 | 0.00 | 0.00 | 87.48 | 87.48 |
| Land & Buildings** | 756.58 | 0.00 | 0.00 | 756.58 | 600.72 | 7.42 | 0.00 | 608.13 | 148.45 | 155.86 |
| GRAND TOTAL | 844.06 | 0.00 | 0.00 | 844.06 | 600.72 | 7.42 | 0.00 | 608.13 | 235.93 | 243.34 |
| Previous Year | 844.06 | 0.00 | 0.00 | 844.06 | 592.93 | 7.79 | 0.00 | 600.72 | 243.34 | 251.13 |

Gross Block
Rs.lacs

**Land and Buildings include :-

- Alongwith cost of land on which depreciation charged on total cost 12.52
- For which conveyance deed is yet to be executed
(15, Friends Colony West , New Delhi) 98.73
- 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. 165.00



NON-CURRENT INVESTMENTS

Note-11

| PARTICULARS | As At | As At |
|--|-----------------------|-----------------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| A. Investment Properties (At Cost) (Refer Note 10A) | | |
| Net Block | | |
| - Land | 87.48 | 87.48 |
| - Land and Buildings | 148.45 | 155.86 |
| | <u>235.93</u> | <u>243.34</u> |
| B. Investment In Equity Instruments | | |
| - Associates | 29.99 | 29.99 |
| Less: Diminution of Investment in an Associate | (29.99) | (29.99) |
| - Others | 3356.66 | 3356.66 |
| | <u>3356.66</u> | <u>3356.66</u> |
| C. Investment In Preference Shares | 0.01 | 0.01 |
| D. Investment In Government or Trust Securities | 318.54 | 332.54 |
| E. Investment In Mutual Funds | 4974.86 | 5492.90 |
| | <u>4974.86</u> | <u>5492.90</u> |
| TOTAL | <u>8886.00</u> | <u>9425.45</u> |
| Aggregate Value of Quoted Investments | 88.11 | 88.11 |
| Aggregate Market Value of Quoted Investments | 2040.22 | 2386.10 |
| Aggregate Gross Value of Unquoted Investments | 10870.69 | 11402.73 |
| Aggregate Value of Provision for Diminution in Value of Unquoted Investments | 2308.73 | 2308.73 |
| Aggregate Net Value of Unquoted Investments | 8561.96 | 9094.00 |

DEFERRED TAX ASSETS (Net)

Note-12

| PARTICULARS | As At | As At |
|---|-----------------------|-----------------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Deferred Tax Asset (Liability) | | |
| Carried Forward Business Losses/Unabsorbed Depreciation | 2083.97 | 1851.65 |
| Taxes and Duties | 596.08 | 624.78 |
| Depreciation and Amortization | (870.37) | (939.89) |
| Others | 157.59 | 35.37 |
| | <u>157.59</u> | <u>35.37</u> |
| TOTAL | <u>1967.27</u> | <u>1571.91</u> |

LONG-TERM LOANS AND ADVANCES

Note-13

| PARTICULARS | As At | As At |
|--|----------------|---------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| (unsecured, considered good unless otherwise specified) | | |
| Capital Advances | 359.51 | 84.08 |
| Security Deposits | 92.46 | 96.84 |
| Less: Provision for Doubtful Deposits | (6.97) | (6.97) |
| Income-Tax /Fringe Benefits Tax (net of provisions) | 134.60 | 162.97 |
| Other Loans and Advances | 40.83 | 41.52 |
| Less: Provision for Doubtful Advances | (10.00) | (10.00) |
| MAT Credit Entitlement | 441.92 | 441.92 |
| TOTAL | 1052.35 | 810.36 |

OTHER NON CURRENT ASSETS

Note-14

| PARTICULARS | As At | As At |
|---|----------------|----------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Long Term Trade Receivables | | |
| - Secured considered good | 0.52 | 2.36 |
| - Unsecured considered doubtful | 28.53 | 84.60 |
| Less: Provision for Doubtful receivables | (28.53) | (84.60) |
| Balances with Banks | | |
| - in Fixed Deposits with maturity more than 12 months * (including interest accrued) | 4771.40 | 4675.79 |
| TOTAL | 4771.92 | 4678.15 |
| * Includes:- | | |
| In Escrow Accounts | 2723.46 | 2535.12 |
| Against Guarantee | 1300.00 | 1423.00 |
| As Margin Money | 547.94 | 517.67 |

CURRENT INVESTMENTS

Note-15

| PARTICULARS | As At | As At |
|--|----------------|----------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Investment in Mutual Funds -Fully Paid up | | |
| Investment in Mutual Funds | 8272.01 | 9253.22 |
| TOTAL | 8272.01 | 9253.22 |
| Aggregate Value of Quoted Investments | 3429.08 | 3965.46 |
| Aggregate Market Value of Quoted Investments | 3828.76 | 4594.65 |
| Aggregate Value of UnQuoted Investments | 4842.93 | 5287.76 |



INVENTORIES

Note-16

| PARTICULARS | As At | As At |
|---|----------------|----------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| (As taken, valued and certified by the management) | | |
| Raw Materials | 583.50 | 614.82 |
| Work -in- Progress | 45.82 | 51.45 |
| Finished Goods* | 803.15 | 473.69 |
| Traded Goods** | 73.63 | 61.06 |
| Stores,Spare Parts and Loose Tools | 256.44 | 224.72 |
| Packing Materials | 36.88 | 52.27 |
| TOTAL | 1799.42 | 1478.01 |

* Inclusive of Excise Duty

** Includes inventory in transit of Rs. 14.95 Lacs (21.242% of Rs. 70.40 Lacs) (Previous Year - NIL)

TRADE RECEIVABLES

Note-17

| PARTICULARS | As At | As At |
|---|----------------|----------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| (secured,considered good) | | |
| Debts outstanding for a | | |
| - period exceeding six months from the date they became due for payment | 4.30 | 0.00 |
| - others | 194.62 | 48.39 |
| (unsecured,considered good) | | |
| Debts outstanding for a | | |
| - period exceeding six months from the date they became due for payment | 272.39 | 158.17 |
| - others* | 895.04 | 981.36 |
| (unsecured,considered doubtful) | | |
| - period exceeding six months from the date they became due for payment | 130.24 | 48.66 |
| - others | 65.75 | 11.99 |
| Less: Provision for Doubtful Receivables | (195.99) | (60.64) |
| TOTAL | 1366.35 | 1187.93 |
| * Due from a Private Company in which one of the director of the Company, is a director | | |
| - Maple Bear Education Pvt. Ltd. | 19.94 | 4.82 |

CASH AND BANK BALANCES

Note-18

| PARTICULARS | As At | As At |
|----------------------------------|----------------|---------------|
| | 31.03.2017 | 31.03.2016 |
| | Rs. Lacs | Rs. Lacs |
| Cash and Cash Equivalents | | |
| Balances with Banks | | |
| In Current Accounts | 252.21 | 523.72 |
| in Fixed Deposits | 915.10 | 0.00 |
| Cash on hand | 3.46 | 2.13 |
| SUB TOTAL (A) | 1170.77 | 525.85 |

Contd. Note-18

| PARTICULARS | As At 31.03.2017 | As At 31.03.2016 |
|--------------------------------|-----------------------|-----------------------|
| | Rs. Lacs | Rs. Lacs |
| Other Bank Balances | | |
| Balances with Banks | | |
| in Fixed Deposits | 63.83 | 498.27 |
| (Interest accrued but not due) | | |
| Unpaid Dividend Accounts | 0.01 | 0.01 |
| SUB TOTAL (B) | <u>63.84</u> | <u>498.28</u> |
| TOTAL (A+B) | <u><u>1234.61</u></u> | <u><u>1024.13</u></u> |

SHORT-TERM LOANS AND ADVANCES**Note-19**

| PARTICULARS | As At 31.03.2017 | As At 31.03.2016 |
|--|-----------------------|-----------------------|
| | Rs. Lacs | Rs. Lacs |
| (unsecured,considered good) | | |
| Loans and Advances to Related Parties* | 1726.45 | 1449.52 |
| Security Deposits | 2.30 | 2.03 |
| Duties and Taxes Paid Under Protest/Recoverable | 91.98 | 142.49 |
| Income-Tax /Mat Credit Entitlement (net of provisions) | 704.41 | 591.19 |
| Advances to Suppliers | 288.50 | 205.78 |
| Other Claims Recoverable | 497.51 | 578.36 |
| Staff Advances | 38.07 | 15.50 |
| (unsecured,considered doubtful) | | |
| Security Deposits | 0.67 | - |
| Staff Advance | 7.46 | 7.46 |
| Less:Provision for doubtful advance | (7.46) | (7.46) |
| TOTAL | <u><u>3349.89</u></u> | <u><u>2984.87</u></u> |

* Includes:-

| | | |
|---|---------|---------|
| 1) Associate | | |
| - Vinura Beverages Pvt. Ltd. | 226.02 | 226.02 |
| 2) Due from Companies under the same management | | |
| - Uniglobe Mod Travels Pvt. Ltd. | 1471.00 | 1123.50 |
| - Uniglobe Travel (South Asia) Pvt. Ltd. | 29.43 | 100.00 |

OTHER CURRENT ASSETS**Note-20**

| PARTICULARS | As At 31.03.2017 | As At 31.03.2016 |
|---|----------------------|----------------------|
| | Rs. Lacs | Rs. Lacs |
| Interest accrued but not due | 229.01 | 168.91 |
| Asset held for surrender - Gwalior Land | 357.29 | 0.00 |
| TOTAL | <u><u>586.30</u></u> | <u><u>168.91</u></u> |



REVENUE FROM OPERATIONS NOTE - 21

| PARTICULARS | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|-------------------------------------|----------------------------------|----------------------------------|
| | Rs. Lacs | Rs. Lacs |
| Sale of Product | 16327.13 | 15802.10 |
| Less: Excise Duty | 1616.17 | 1520.43 |
| | <u>14710.96</u> | <u>14281.67</u> |
| Other Operating Revenue - Others | 649.73 | 676.11 |
| TOTAL | <u>15360.69</u> | <u>14957.78</u> |

OTHER INCOME NOTE - 22

| PARTICULARS | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|---|----------------------------------|----------------------------------|
| | Rs. Lacs | Rs. Lacs |
| Dividend Income | 355.99 | 312.18 |
| Interest Income | 487.48 | 472.74 |
| Net Gain/Loss on Sale of Investments | 723.77 | 277.73 |
| Profit/(Loss) on Sale of Fixed Assets (Net) | - | 23.86 |
| Excess Liabilities/Provisions/Sundry Balances Written Back/Off (Net) | - | 4.65 |
| Miscellaneous Income | 54.73 | 46.24 |
| TOTAL | <u>1621.97</u> | <u>1137.40</u> |

COST OF MATERIAL CONSUMED NOTE - 23

| PARTICULARS | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|-------------------------------------|----------------------------------|----------------------------------|
| | Rs. Lacs | Rs. Lacs |
| Raw Materials Consumed | | |
| Opening Stock | 614.82 | 672.09 |
| Add : Purchases and Direct Expenses | 3756.87 | 3474.51 |
| | <u>4371.69</u> | <u>4146.60</u> |
| Less : Closing Stock | 583.50 | 614.82 |
| SUB - TOTAL (A) | <u>3788.19</u> | <u>3531.78</u> |
| Packing Materials Consumed | | |
| Opening Stock | 52.27 | 47.86 |
| Add : Purchases and Direct Expenses | 726.25 | 751.55 |
| | <u>778.52</u> | <u>799.41</u> |
| Less : Closing Stock | 36.88 | 52.27 |
| SUB - TOTAL (B) | <u>741.64</u> | <u>747.14</u> |
| TOTAL (A+B) | <u>4529.83</u> | <u>4278.92</u> |

**CHANGES IN INVENTORIES OF FINISHED GOODS,
WORK IN PROGRESS AND STOCK IN TRADE
NOTE - 24**

| PARTICULARS | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|---|--------------------------|--------------------------|
| | Rs. Lacs | Rs. Lacs |
| Decrease/(Increase) in Finished Goods, Work -in- progress and Stock in trade | | |
| Opening Stock | | |
| Finished Goods | 473.69 | 509.49 |
| Work - in - progress | 51.45 | 49.38 |
| Stock in trade | 61.06 | 74.19 |
| SUB - TOTAL (A) | <u>586.20</u> | <u>633.06</u> |
| Closing Stock | | |
| Finished Goods | 803.15 | 473.69 |
| Work - in - progress | 45.82 | 51.45 |
| Stock in trade | 58.68 | 61.06 |
| SUB - TOTAL (B) | <u>907.65</u> | <u>586.20</u> |
| TOTAL (A-B) | <u><u>(321.45)</u></u> | <u><u>46.86</u></u> |

**EMPLOYEE BENEFITS EXPENSE
NOTE - 25**

| PARTICULARS | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|--|--------------------------|--------------------------|
| | Rs. Lacs | Rs. Lacs |
| Salaries, Incentives and Allowances | 1,317.27 | 1,087.14 |
| Contributions to Provident and Other Funds | 145.34 | 118.22 |
| Staff Welfare Expense | 114.52 | 124.04 |
| TOTAL | <u><u>1,577.13</u></u> | <u><u>1,329.40</u></u> |

**FINANCE COSTS
NOTE - 26**

| PARTICULARS | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|------------------|--------------------------|--------------------------|
| | Rs. Lacs | Rs. Lacs |
| Interest Expense | 22.16 | 21.06 |
| TOTAL | <u><u>22.16</u></u> | <u><u>21.06</u></u> |



DEPRECIATION AND AMORTIZATION EXPENSE NOTE - 27

| PARTICULARS | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|---|--------------------------|--------------------------|
| | Rs. Lacs | Rs. Lacs |
| Depreciation on Property, Plant and Equipment | 698.08 | 678.24 |
| Amortization of Intangible Assets | 2.95 | 4.03 |
| Depreciation on Investment Properties | 7.42 | 7.79 |
| TOTAL | 708.45 | 690.06 |

OTHER EXPENSES NOTE - 28

| PARTICULARS | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|---|--------------------------|--------------------------|
| | Rs. Lacs | Rs. Lacs |
| Stores, Spares and Tin Consumed | 521.66 | 389.07 |
| Power & Fuel* | 1709.30 | 2365.12 |
| Plant Utilities | 158.42 | 184.40 |
| Rent | 68.82 | 89.17 |
| Repair & Maintenance - Plant & Machinery | 118.64 | 103.20 |
| Repair & Maintenance - Buildings | 274.46 | 341.17 |
| Repairs & Maintenance - Others | 68.34 | 74.95 |
| Factory Expenses | 2.79 | 3.66 |
| Insurance | 63.58 | 54.65 |
| Rates & Taxes | 201.79 | 117.53 |
| Auditors' Remuneration: | | |
| Audit Fee | 16.03 | 13.61 |
| For Certificates etc. | 2.33 | 2.15 |
| For Expenses | 0.50 | 0.50 |
| Legal & Professional Charges | 422.50 | 477.03 |
| Travelling & Conveyance | 351.21 | 307.38 |
| Commission | 69.30 | - |
| Electricity & Water | 99.06 | 85.27 |
| Vehicle Expenses | 25.66 | 21.60 |
| Communication Expenses | 37.96 | 36.18 |
| Loss on Assets Sold/Discarded/Written off (Net) | 0.52 | - |
| Excess Liabilities/Provisions/Sundry Balances Written Off/Back (Net) | 102.98 | - |
| Provision for Diminution in value of Investments | - | 9.00 |
| Sales Tax Paid | 4.46 | - |
| Charges General | 153.07 | 150.05 |
| Sub - Contracting charges | 13.91 | 15.21 |
| Business Promotion Expenses | 21.96 | 39.31 |
| Advertisement and Sales Promotion | 68.78 | 44.74 |
| Excise Duty Paid ** | 47.89 | 7.23 |
| Freight outward | 1,538.45 | 1,550.62 |
| Cash Discount to Customers | 267.56 | 320.53 |
| Provision for Doubtful Debts | 79.28 | 59.47 |
| CSR Expenditure | 19.04 | - |
| Provision for Leasehold Land held for surrender | 127.43 | - |
| Miscellaneous Expenses | 315.09 | 254.47 |
| TOTAL | 6,972.77 | 7,117.27 |

* Net of Wind Power wheeling credit of Rs. 553.94 Lacs (21.242% of Rs. 2607.77 Lacs) (Previous Year: Rs. 563.69 Lacs)

** Represents excise duty related to the difference between the closing stock and opening stock

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2017

Note -29

A. BASIS OF PREPARATION

1. The accounts have been prepared in accordance with the historical cost convention under accrual basis of accounting as per Indian GAAP. Accounts and Disclosures thereon comply with the Accounting Standards specified in Companies (Accounting Standard) Rules 2006 which continue to apply under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, other pronouncement of ICAI, provisions of the Companies Act and guidelines issued by SEBI as applicable.

B. BASIS OF CONSOLIDATION

1. a) The financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down in Accounting Standard (AS-21) "Consolidated Financial Statements", Accounting Standard (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS-27) "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India.
b) In the case of subsidiaries, consolidated financial statements have been combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions.
c) In the case of joint venture, consolidation is done on the basis of proportional consolidation method considering venturer's share of each of the assets, liabilities, income and expenses as separate line item after eliminating intra group balances.
d) As far as possible, the Consolidated Financial Statements have been prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are prepared to the extent possible, in the same manner as the parent company's separate financial statements.
2. The Consolidated Financial Statements comprise the financial statements of Modi Rubber Limited, its subsidiaries and its Joint Ventures and Associate Companies as on 31.03.2017 which are as under:

| Name of the Subsidiary, Associate Company and Joint Venture | Financial year of the ending on | Extent of Holding Company's Interest | Country of Incorporation |
|---|--|---|---------------------------------|
| i) Spin Investment (India) Ltd. | 31 st March 2017 | 100% | India |
| ii) Superior Investment (India) Ltd. | 31 st March 2017 | 100% | India |
| iii) Vinura Beverages Pvt. Ltd. [49.99% held by Spin Investment (India) Ltd., a wholly owned subsidiary] | 31 st March 2017 | 49.99% | India |
| iv) Asahi Modi Materials Pvt. Ltd. | 31 st March 2017 | 49% | India |
| v) Gujarat Guardian Ltd. (GGL) | 31 st March 2017 | 21.242% | India |

- vi) During the year, the consolidation of a joint venture viz. Gujarat Guardian Limited has been done on the basis of unaudited management certified financial statements for the year ended 31st March, 2017, since the non Ind AS audited financial statements were not available at the time of consolidation.
- vii) Consolidation of the Accounts of Modistone Limited in which the parent company holds 55.32% of its paid up Capital has not done 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.

C. SIGNIFICANT ACCOUNTING POLICIES

1. All significant accounting policies set out under Note-24 "Significant Accounting Policies and Notes on Financial Statements" are given in the Company's separate Standalone Financial Statements. Following are the additional/different accounting policies followed by the Joint Venture Companies:-



- A. In case of "Asahi Modi Materials Pvt. Ltd.:-
- a. Inventory
Valuation of Work in Progress is done at cost.
 - b. Depreciation
Plant and Machinery are depreciated on reducing balance method over the useful estimated lives of assets as mentioned in Schedule II of the Companies Act, 2013.
Assets costing less than or equal to Rs. 5,000 are depreciated on pro-rata basis within the year of purchase.
 - c. Fixed Assets
Leasehold Improvements are amortized over the period of lease or estimated period of useful life of such improvement, whichever is lower.
 - d. Employee Benefit Expenses
Defined Contribution Plan
All employees benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages and bonus ex-gratia are recognized in the period in which the employee renders the related service. The Company's contribution paid/payable for the year to Provident Fund are charged to Statement of Profit and Loss.
Defined Benefit Plan
The Company's liability towards Gratuity and Leave encashment are determined using the projected unit credit method which considers each period of service as giving rise an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and loss are recognised immediately in the statement of Profit and Loss for the year in which employee has rendered services. Estimated liability on account of long term benefits is discounted to the present value, using the market yield on Govt. bonds, as on the balance sheet date.
 - e. Leases
Assets taken under leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss.
 - f. Borrowing Cost
Borrowing costs to the extent related/attribution to the acquisition/construction of assets that takes substantial period of time to get ready for their intended use are capitalized along with the respective fixed asset up to the date such asset is ready for use. Other borrowing costs are charged to the Statement of Profit and Loss.
- B. In case of Gujarat Guardian Limited (GGL):-
- a. Depreciation and Amortization
Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.
Leasehold Land is amortized over the period of lease term of 99 years.
Items with an original cost of amount up to Rs. 5,000 are depreciated at the rate of 100% over a period of one year.
 - b. Leases-As a Lessee
Leases in which significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of lease.
Such leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

c. Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

D. CONTINGENT LIABILITIES

1. All Contingent Liabilities set out under Note-24 "Significant Accounting Policies and Notes on Financial Statements" are given in the Company's separate Standalone Financial Statements except in case of Joint Venture Companies for which contingent liabilities are given below:-

- a. In case of Joint Venture Company namely "Asahi Modi Materials Pvt. Ltd." has furnished surety in the form of Bank Guarantee to the extent of Rs. 18.93 lacs (49% of Total Rs. 38.63 lacs) (Previous Year- Rs. 18.93 Lacs), in favor of Gujarat Gas Company Limited. Claim against the company not acknowledged as debt Rs. 17.77 Lacs (49% of Rs. 36.27 Lacs)(Previous Year- Rs. 17.77 Lacs).
- b. In case of Joint Venture Company namely "Gujarat Guardian Limited (GGL)" details are given below (21.242% of the total amounts) :-

(Rs. Lacs)

| | PARTICULARS | 31-03-2017 | 31-03-2016 |
|-------|--|-------------------|-------------------|
| (i) | Claims against the Company not acknowledged as debts: | | |
| | Claims made by workmen | 11.63 | 8.23 |
| | Disputed Income Tax Matters | 836.20 | 592.07 |
| | Disputed Octroi Matter | Nil | 36.80 |
| | Sales Tax (A Y 2012-13) | 6.21 | Nil |
| | Disputed Excise Matters | 485.33 | 197.75 |
| | Demand raised by GIDC towards Infrastructure fund | 34.38 | 34.89 |
| | Pending Labour case before High Court | Not ascertainable | Not ascertainable |
| (ii) | Guarantees | | |
| | First Loss Deficiency Guarantee given to banks under Channel Financing | 488.80 | 491.76 |
| | Guarantees given by bank on behalf of the Company | 460.95 | 485.38 |
| (iii) | Other Contingent Liabilities: | | |
| | Disputed claim lodged by AGC Float Glass Europe S.A. for Patent on the process of non-corrosive mirrors | Nil | 4.25 |
| | Total | 2323.50 | 1851.13 |
| | Note:-It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities. | | |
| (iii) | Capital Commitments | | |
| | Estimated value of contracts in capital account remaining to be executed & not provided for Tangible Assets | 5934.18 | 64.03 |



E. NOTES

1. All notes has been set out under Note-24 "Significant Accounting Policies and Notes on Financial Statements" are given in the Company's separate Financial Statements. Additional disclosures relating to Subsidiary Companies and Joint Venture Companies are given below:-

- a. Earning per Share :

| | Year Ended 31/03/2017 | Year Ended 31/03/2016 |
|---|----------------------------------|----------------------------------|
| Profit after Tax (Rs. Lacs) | 2492.58 | 1603.10 |
| Basic number of equity shares | 25040532 | 25040532 |
| Basic and diluted earning per share (Rs.) (Not Annualised) | 9.95 | 6.40 |

- b. Related Parties Disclosures in accordance with Accounting Standard (AS – 18) of The Institute of Chartered Accountants of India.

A) Key Management Personnel:

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

B) Relatives of Key Management Personnel

- 1 Mr. Vinay Kumar Modi (Father of Mr. Alok Kumar Modi)
- 2 Mrs. Chander Bala Modi (Mother of Mr. Alok Kumar Modi)
- 3 Mrs. Archana Singhania (Sister of Mr. Alok Kumar Modi)
- 4 Mrs. Ritika Modi (Wife of Mr. Alok Kumar Modi)

C) Enterprises in which relatives of Key Management Personnel has significant influence

- 1 Leaf Investment Pvt. Ltd.
- 2 Mod Fashions and Securities Pvt. Ltd.
- 3 Uniglobe Mod Travels Pvt. Ltd.
- 4 Uniglobe Travel (South Asia) Pvt. Ltd.
- 5 Guardian Industries Corp. Ltd. Thailand
- 6 Guardian Industries Corp., USA
- 7 Guardian Industries Corp. Ltd., USA
- 8 Guardian Glass AAME JLT
- 9 Guardian Llodio UNO, S.L.U
- 10 Guardian Zoujaj International Float Glass Co Lic
- 11 Asahi Organic Chemicals Industries Co. Ltd., Japan
- 12 Asahi Organics Chemicals (Nantong) Co. Ltd – China

- c. The following transactions were carried out with related parties in the Ordinary course of business during the period:

(Rs. Lacs)

| | Year Ended 31/03/2017 | Year Ended 31/03/2016 |
|---|----------------------------------|----------------------------------|
| A) Key Management Personnel | | |
| i) Remuneration Paid | 128.37 | 89.37 |
| B) Others: | | |
| i) Income Received | 255.19 | 241.94 |
| ii) Transfer of Assets/Liabilities (Net) | (515.35) | 593.89 |
| iii) Expenses incurred on behalf of the company (Net) | 1027.68 | 385.84 |
| iv) Payable/(Receivable) at the year end | (1,494.33) | (1,287.84) |

- d. In case of one of the Joint Venture Company disclosure related to Leases is given below (21.242% of the total amounts):- (Rs. Lacs)

| Particulars | 31/03/2017 | 31/03/2016 |
|--|--------------|-------------|
| As a lessee: | | |
| (i) Operating Lease | | |
| The Company has operating lease for premises. The lease arrangements include cancelable leases. Most of the leases are renewable for further period on mutually agreeable terms. | | |
| With respect to all operating leases; | | |
| Lease payments recognised in the Statement of Profit and Loss during the year | 13.11 | 8.91 |
| Total | 13.11 | 8.91 |

- e. In case of one of the Joint Venture Company, Unhedged foreign currency exposure are as follows (21.242% of the total amounts):-

| PARTICULARS | 31-03-2017 | | 31-03-2016 | |
|------------------------------|---------------------------------|--------------------------|---------------------------------|--------------------------|
| | Amount (in Foreign Currency) | Amount (in Rs. Lakhs) | Amount (in Foreign Currency) | Amount (in Rs. Lakhs) |
| Advances to Suppliers | | | | |
| - In USD | - | - | 38049.49 | 25.72 |
| - In Euro | 535759.56 | 382.92 | 18854.19 | 14.10 |
| - In AUD | 844038.60 | 551.53 | - | - |
| Trade Payables | | | | |
| - In USD | 12660.12 | 8.83 | 10838.07 | 7.36 |
| - In Euro | 36110.12 | 26.42 | 2163.35 | 1.59 |
| - In GBP | - | - | 351.98 | 0.35 |
| - In AUD | 4726.35 | 2.31 | - | - |

- f. In case of one of the Joint Venture Company, the Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the domestic and international transactions entered into with the associated enterprises during the financial year as required under law. The management is of the opinion that its domestic and international transactions are at arms length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.
- g. In case of one of the Joint Venture Company, the Company's operating business is organized and managed according to the nature of product, with single Primary Reportable Segment comprising of manufacturing and supply of Glass. Also, as part of secondary reportable segment, there is no reportable segment on a geographical basis on the basis of location of the customers. Hence disclosure requirements of Accounting Standard - 17 'Segment Reporting' are not applicable to the company.
- h. In case of one of the Joint Venture Company
- Contribution to Provident Fund
The Company's provident fund scheme (including pension fund scheme for eligible employees) is a defined contribution plan. The expenses charged to the Statement of Profit and Loss under the head Contribution to Provident Fund is Rs. 4.94 lacs (49% of Rs.9.27 lacs) (Previous Year: Rs.4.09 lacs).
 - Gratuity and Leave encashment*
The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The Company during the year contributed Rs. 0.93 lacs (49% of Rs. 1.90 lacs) (Previous Year: Rs. 0.69 lacs) towards their gratuity fund.



The leave salary is payable at the basic salary for maximum of 26 days earned leave outstanding at the year-end based on 30 working days which shall be en-cashed at the time of retirement or leaving the company, whichever is earlier, upto a maximum accumulation of leaves of 60 days. The Company during the year provided Rs. 1.69 lacs (49% of Rs. 3.45 lacs) (Previous Year - Rs 0.55 lacs) towards leave salary.

*During the previous year, provision for gratuity and leave encashment was calculated on actual basis.

- i. In case of one of the Joint Venture Company, the transactions entered into by the Company with the related parties are at the arm's length and is in compliance with the transfer pricing legislation of the Income Tax Act, 1961.
- j. As per Accounting Standard – 16, in case of one of the Joint Venture Company, "Borrowing Cost", interest on vehicle loan amounting to Rs. 0.24 lacs (49% of Rs. 0.49 lacs) (Previous Year Rs. 0.34 lacs) and interest on working capital loan amounting to Rs. 0.94 lacs (49% of Rs. 1.90 lacs) (Previous Year. Nil) has been charged to Statement of Profit and Loss during the year.
- k. There are certain Accounting Policies adopted by the Joint Venture Companies which are different from the Accounting Policies adopted by the group in preparation of consolidated financial statements. However, in the opinion of the management, impact of this variation is not ascertainable.
- l. As per Schedule III of Companies Act 2013 by notification No. G.S.R 308(E), under the heading of General Instruction for Preparation of Balance Sheet, disclosure related to old currency notes of INR 500 & INR 1000 held and transacted during November 8, 2016 to December 31, 2016 in respect of the holding company, subsidiaries and Joint venture companies is given below:

(Amount in Rs. 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 |

m. Previous year figures have been regrouped/ rearranged wherever necessary.

n. Note 1 to 29 form an integral part of the Balance Sheet and Statement of Profit and Loss and have been duly authenticated.

F. ADDITIONAL INFORMATION AS REQUIRED UNDER COMPANIES ACT, 2013 IN RESPECT OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY/ ASSOCIATES/ JOINT VENTURES.

1. 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 31.03.2017) | | Share in Profit or Loss* (Year Ended 31.03.2017) | |
|--------------------------------------|---|-------------------|--|-------------------|
| | As % of consolidated net assets | Amount (Rs. Lacs) | As % of Consolidated Profit or loss | Amount (Rs. Lacs) |
| Parent | | | | |
| Modi Rubber Limited | 40.09% | 14437.91 | -31.91% | (795.18) |
| Subsidiaries (Indian) | | | | |
| Spin Investment (India) Limited | 19.75% | 7114.88 | 23.66% | 589.63 |
| Superior Investment (India) Limited | 1.16% | 418.10 | 0.07% | 1.69 |
| Joint Ventures (Indian) | | | | |
| Asahi Modi Materials Private Limited | -0.61% | (221.06) | 0.15% | 3.71 |
| Gujarat Guardian Limited (GGL) | 39.61% | 14267.89 | 108.03% | 2691.80 |

* After adjusting intercompany transaction(s)

2. As required under Section 129 (3) of the Companies Act, 2013 in Form AOC-1:-

(Rs. Lacs)

| PART "A": SUBSIDIARIES | | | |
|-------------------------------|---|-------------------------------|----------------------------------|
| S. No. | PARTICULARS | | |
| 1 | Serial Number | 1 | 2 |
| 2 | Name of the 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 | 7114.88 | 418.10 |
| 7 | Total assets | 7172.31 | 448.25 |
| 8 | Total Liabilities | 27.51 | 0.23 |
| 9 | Investments | 4586.40 | 436.28 |
| 10 | Turnover | 678.63 | 7.25 |
| 11 | Profit/ (Loss) before taxation | 662.57 | 3.75 |
| 12 | Provision for taxation | 72.94 | 2.06 |
| 13 | Profit/ (Loss) after taxation | 589.63 | 1.69 |
| 14 | Proposed Dividend | Nil | Nil |
| 15 | % of shareholding | 100% | 100% |

*Consolidated amounts including associate company.

| PART "B": ASSOCIATE COMPANIES AND JOINT VENTURES | | | |
|---|--|--------------------------------|---------------------------------|
| S. No. | PARTICULARS | | |
| 1 | Name of Associates/Joint Ventures | Asahi Modi Material Pvt. Ltd. | Gujrat Guardian Ltd. |
| 2 | Latest audited Balance Sheet Date | 31/03/2017 | 31/03/2017 |
| 3 | Shares of Associate/Joint Ventures held by the company on the year end (i) No. of Shares (in numbers) (ii) Amount of Investment in Associates/Joint Venture (iii) Extent of Holding % | 1,47,00,000 1,470 49.00% | 3,33,50,000 3,335 21.242% |
| 4 | Description of how there is significant influence | Due to Joint Venture Agreement | Due to Joint Venture Agreement |
| 5 | Reason why the associate/joint venture is not consolidated | N.A. | N.A. |
| 6 | Net worth attributable to Shareholding as per latest audited Balance Sheet | (221.06) | 14267.89 |
| 7 | Profit / (Loss) for the year (i) Considered in Consolidation (ii) Not Considered in Consolidation | 3.71 (50.03) | 2691.80 10081.50 |

As per our Report Attached
For P D M and Company
(Firm Registration No. 007966N)
Chartered Accountants

CA. Prabhat Jain
Partner
(M.No. 086756)

Alok Modi
Managing Director
K.S. Bains
Director

Piya Modi
Director

V. K. Modi
Chairman

S.K. Bajpai
Head-Legal &
Company Secretary

Kamal Gupta
Chief Financial Officer

Place : New Delhi
Date : 18th August, 2017

Modi Rubber Limited

(CIN: L25199UP1971PLC003392)

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

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

Website: www.modirubberlimited.com, **Email:** investors@modigroup.net, Phone No: +91-11-47107398

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..... Address..... | E-mail-id Signature.....or failing him |
| 2. Name..... Address..... | E-mail-id Signature.....or failing him |
| 3. Name..... Address..... | E-mail-id Signature..... |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 44th Annual General Meeting of the Company, to be held on Thursday, September 28, 2017 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 |
|--------------------------|---|
| Ordinary Business | |
| 1. | To consider and adopt: a) the audited financial statement of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon; and b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2017. |
| 2. | To appoint a Director in place of Ms. Piya Modi, who retires by rotation at this Annual General Meeting and, being eligible, has offered herself for re-appointment. |
| 3. | To appointment of the Auditors and fix their remuneration. |
| Special Business | |
| 4. | To re-appoint Ms. Piya Modi (DIN 03623417) as an Whole Time Director |
| 5. | To Appoint Mr. Arvind Nath Seth (DIN-00464893) as Independent Director |

Signed this..... day of.....2017.

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