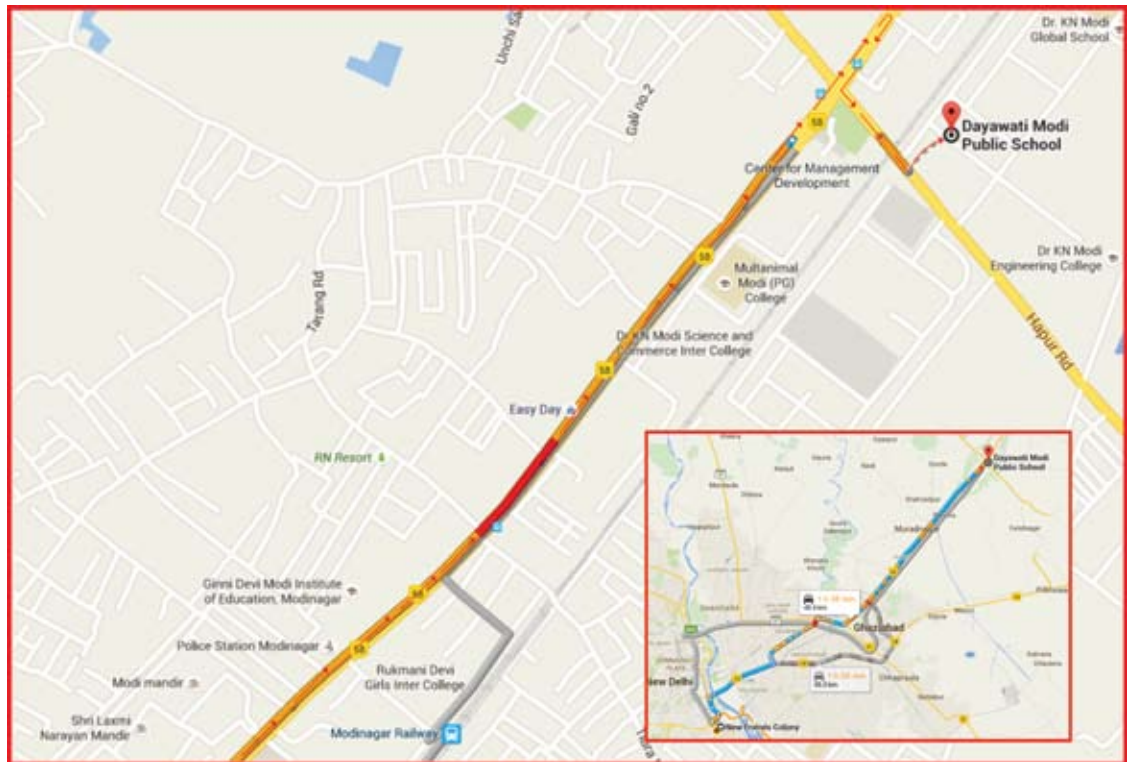




Modi Rubber Limited

43RD ANNUAL REPORT 2015-2016

ROUTE MAP OF 43rd 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

Sanjiwan Sahni
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
website : www.modirubberlimited.com
Phone : +91-11-47107398
E Mail : investors@modigroup.net

HEAD OFFICE

4-7C, DDA Shopping Centre,
New Friends Colony,
New Delhi-110 025

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.

REGISTRAR & SHARE TRANSFER AGENT

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

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| Day | : Thursday | Directors' Report..... | 6 |
| Time | : 11.30 A.M | Management Discussion and Analysis Report..... | 18 |
| Place | : Auditorium, Dayawati Modi Public School Modinagar | Report on Corporate Governance | 19 |
| Book Closure Dates | : 21st September, 2016 to 29th September, 2016 (both days inclusive) | Independent Auditors' Report..... | 27 |
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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

Registered Office: Modinagar-201 204 District Ghaziabad (Uttar Pradesh)
Corporate Office : 4-7C, DDA Shopping Centre, New Friends Colony, New Delhi-110 025
website : www.modirubberlimited.com Phone : +91-11-47107398
CIN: L25199UP1971PLC003392

NOTICE

Notice is hereby given that the 43rd Annual General Meeting of the members of **Modi Rubber Limited** ("the Company") will be held on Thursday, the September 29, 2016 at 11:30 AM at Auditorium, Dayawati Modi Public School, Modinagar-201204 (U.P) to transact the following businesses:

ORDINARY BUSINESS:

- To consider and adopt:
 - The audited financial statement of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon; and
 - The audited consolidated financial statement of the Company for the financial year ended March 31, 2016.
- To appoint a Director in place of Mr. Alok Kumar Modi (DIN: 00174374) who has consented to retire by rotation for compliance with the requirements of Section 152 of the Companies Act, 2013, and being eligible, offers himself for re-appointment.
- To rectify the appointment of the Statutory Auditors of the Company and to fix their remuneration 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 Section 139 and all other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof), the appointment of M/s. PDM and Company, Chartered Accountants, (Firm Registration No 007966N) New Delhi, which has been approved at the Annual General Meeting held on September 30, 2014 for a term of 3 years, i.e. from the conclusion of the 41st Annual General Meeting until the conclusion of the 44th Annual General Meeting, be and is hereby ratified for the financial year 2016-17 with remuneration of Rs.600000/-plus out of pocket expenses incurred by them in connection with statutory audit and/or continuous audit under the Companies Act, 2013.

SPECIAL BUSINESS:

- To Re-appoint Mr. Alok Kumar Modi (DIN 00174374) as Managing 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 **Special Resolution**:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any 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 any other applicable Article of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Alok Kumar Modi (DIN: 00174374), as Managing Director of the Company for a further period of five years commencing from 01.10.2016 without remuneration as

recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Alok Kumar Modi, Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

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

Place: New Delhi

(S.K. Bajpai)

Date : 12 August, 2016

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 21.09.2016 to 29.09.2016 (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 Modinagar at-least 48 hours before the time fixed for the meeting.
- The Register of Contracts or arrangements in which Directors are interested 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.
- Members desirous of obtaining any information concerning the Accounts of the Company are requested to send their request at the 4/7C DDA Shopping Centre New Friends Colony, New Delhi- 110025 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 to 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 43rd Annual General Meeting by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

 - I. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting. pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Modi Rubber Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rashmikir@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 25th September, 2016 (9:00 am) and ends on 28th September, 2016 (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 22nd September, 2016, 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 22/09/2016.
- 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. 22/09/2016, 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 NSDL within two (2) days of passing of the resolutions at the AGM of the Company.
 - Members may also note that the Notice of the 43rd Annual General Meeting of the Company and the Annual report 2016 will be available on the Company's website for their download. The Physical copy of the aforesaid documents will also be available at the Company's corporate office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
11. Pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant rules made there under companies can serve annual reports and other communications through electronic mode to those members who have 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 for upon request
- The Notice of annual general meeting and the copies of audited

financial statements, directors report, auditors report etc, will also be displayed on the website (www.modirubberlimited.com) 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 maintaining 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 address and contact details with us, by writing to us addressed to the Secretarial department at our corporate office, or at our e-mail ID: Investors@modigroup.com. This will help us in prompt sending of 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 22 September 2016 upto the date of the AGM.

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

Place: New Delhi

Date : 12 August, 2016

(S.K. 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 BUSINESS 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 No. 4

As per the Article 110 (1) of Articles of Association of the Company, Mr. Alok Kumar Modi, Managing Director, whilst holding office as Managing 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 12.08.2016, decided Mr. Alok Kumar Modi, being



longest in office, to retire by rotation at the ensuing annual general meeting of the Company. Accordingly, the Board noted that Mr. Alok Kumar Modi, Managing Director shall be the director liable to retire by rotation and being eligible, has offered himself for re-appointment.

Mr. Alok Kumar Modi was appointed as Managing Director of the Company on October 31st, 2011 and the present term of Mr. Alok Kumar Modi as Managing Director of the Company will expire by efflux of time on October 30th, 2016.

Mr. Alok Kumar Modi opted not to draw remuneration from the company so long as company continues to implement the unimplemented portion of the BIFR scheme.

The Board of Directors at its meeting held on August 12, 2016, have re-appointed Mr. Alok Kumar Modi as Managing Director of the Company without remuneration as recommended by the Nomination and Remuneration Committee for a further period of Five years, commencing from October 1st, 2016 and upto September 30, 2021 subject to necessary approvals from the shareholders and others,

if any. However the Board had further authorised Nomination and Remuneration Committee to consider payment of the remuneration during the re-appointment tenure as it may deem appropriate in the interest of the company.

Mr. Alok Kumar Modi is also the Managing Director of Gujarat Guardian Limited and drawing remuneration from there.

However Mr. Alok Kumar Modi shall be entitled for reimbursement of all expenses incurred or to be incurred in India or abroad for Company's business during this period.

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

Place: New Delhi
Date : 12 August, 2016

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

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

| | |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Particulars | |
| Age(In years) | 50 |
| Qualification | MBA |
| Expertise in specific functional areas | 30 Years of experience in the field of Production, Sales, Marketing and Management |
| Date of appointment on the Board of the Company as Managing Director | 31 st October 2011 |
| Names of the Companies in which Directorships held | 1.Gujarat Guardian Limited 2.Indian Glass Manufacturers' Association 3.Modi Rubber Limited 4.Maple Bear Education Private Limited 5.Asahi Modi Materials Private Limited |
| Names of other Companies in which Committee Membership/ Chairman-ship held | Asahi Modi Materials Private Limited |
| No. of shares held | NIL |

DIRECTORS' REPORT

DIRECTORS' REPORT

Your Directors present the 43rd Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2016.

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 has been implementing the unimplemented provisions of the revival scheme sanctioned by the BIFR and status report on unimplemented portion of the scheme is filed by the company with the BIFR periodically.

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. Litigation is also pending with 2 creditors who have till date not accepted the dues as per scheme sanctioned by the BIFR.

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

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

- 1) Your Company has been very vigorously taking actions to get re-possession of Company's properties which were occupied by illegal occupants/Ex- Employees. Efforts include legal recourse, and also settlement as per BIFR Scheme wherever possible.
- 2) Company is taking several steps to utilize its real- estate resources and wherever possible to put them to generate revenue.
- 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 522.86 Lacs as compared to Rs 119.89 Lacs in previous year and a total income of Rs 2336.47 Lacs as compared to 2540.92 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 Clause 49 of the Listing Agreements and applicable Regulation of SEBI (listing obligation and disclosure requirements regulations 2015) 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 Shri. Alok Kumar Modi as Managing Director of the Company and he shall hold office for a term of 5 (five) consecutive years up to September 30, 2021.

B) Meeting of the Board of Directors

During the financial year ended on March 31, 2016, 4 (four) Board Meetings and 1 (one) meeting of Independent Directors was held and the maximum time gap between any two Board meetings was less than 120 days. Further, details of the meetings of the Board and its Committees are given in Corporate Governance Report, forming part of the Annual Report.

C) Declaration by Independent Director(s)

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed 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 has 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 companies / Joint Ventures / Associate Companies is disclosed in the Consolidated Financial Statement for the financial year ended March 31, 2016.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with 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 audited consolidated financial statement for they earended March 31, 2016 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, 2016, 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 as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 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, 2016 on a 'going concern' basis;
- v) the Directors have laid down internal financial control to be followed by the Company and that such internal financial control are adequate and were operating effectively; and
- vi) the Directors have devised proper systems to ensure

compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RISK ASSESSMENT/ MANAGEMENT

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

INTERNAL FINANCIAL CONTROLS

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year there were no profit from the operations and also due to rehabilitation of unimplemented portion of revival scheme sanction by the BIFR, company undertake no 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 overseas 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

The Statutory Auditors, M/s. PDM and Company, Chartered Accountants, (Firm Registration No 007966N) New Delhi, were appointed as Auditors of the Company for a period of three years at the 41th Annual General Meeting held on September 30, 2014 and the appointment was subject to ratification at each Annual General Meeting. The Company has received letter from them to the effect that their ratification of appointment 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 ratification of 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, 2016, in the prescribed format is attached and marked as **Annexure II** with this report. The Secretarial Audit Report is self-explanatory and do not call for any further comments. The Secretarial Auditors' Report does not contain any qualification, reservation or adverse remark.

MANAGERIAL REMUNERATION

Annexure I

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2015-16.

| | | |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 | 1740.79 lacs |
| 4 | Prescribed CSR Expenditure (two percent of the amount as in item No. 3 above) | 34.82 lacs |
| 5 | Details of CSR spent during the financial year: | |
| | (a) total amount to be spent for the financial year | 34.82 lacs |
| | (b) amount unspent, if any | 34.82 lacs |
| (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. | During the year under review Company did not undertake any initiative due to rehabilitation of unimplemented portion of revival scheme sanctioned by the BIFR. However Board is hopeful to carry out some initiative during the next year. |

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

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

EXTRACT OF ANNUAL RETURN

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

STATUTORY DISCLOSURES

Since there was no production, there is no information required to be given for energy conservation, technology absorption, fuel consumption etc. u/s 134(3) (m) of the Companies Act, 2013. Information about foreign exchange earnings is nil and outgo is Rs 84.79Lacs during the year under review

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks for support and co-operation from the Hon'ble BIFR/AAIFR, 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 12, 2016

Vinay Kumar Modi
Chairman



SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016
[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 the 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 the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company was declared as a Sick Industrial Undertaking within the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) by the Board of Industrial Financial Reconstruction (BIFR) on May 17, 2006 as the networth of the Company was negative as on March 31, 2003 and trading of shares of the Company was suspended on Stock Exchange(s). Thereafter, upon sanctioning the Rehabilitation Scheme and the substantial implementation of Rehabilitation Scheme, BIFR vide its Order dated February 23, 2010, discharged the Company from the purview of SICA 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, subsequently, suspension of trading of shares was revoked by the BSE Limited and process of revocation of suspension of trading at National Stock Exchange of India Limited is under process.

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, 2016 ("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, 2016 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, 1992/ 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;
(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 SEBI (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 following-

- (i) Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India (applicable w.e.f. July 01, 2015), with which the Company has generally complied with.
(ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (applicable upto November 30, 2015).

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

- *The Company has not filed form MGT-14 for resolution passed u/s 134 r/w 179 of the Act in respect of the approval of financial statements and Board's report, with the Registrar of Companies, NCT of Delhi and Haryana.*
- *Form DIR-12 has not been filed for the rectification in effective date of appointment of CFO.*
- *Details in respect of adequacy of internal financial controls with reference to the financial statements as required under Section 134(3) (q) and Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014 has not been disclosed in Board's Report for the year ended March 31, 2015.*

We further report that the Company is under process of execution of 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 but the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 are applicable to the Company as it is under implementation of the provisions of the Rehabilitation Scheme and the Company has been generally filing Status Reports with the BIFR on unimplemented portion of the Rehabilitation Scheme.

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 no. 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 Association of the Company, non rotational). As informed by the management, the non-rotational director of the Company was retired by the Company in the 42nd AGM held on 29th September 2015 for the purpose of compliance with the provisions of Section 152 of the Act, relating to directors liable to be retire by rotation.

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 strengthened

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE05290.

August 12, 2016
New Delhi

Lokesh Dhyani
Partner
CP No.: 16185



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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 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 2015-16 (in Rs.) | % increase in Remuneration in the Financial Year 2015-16 |
|---------|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| 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. Kanwaljit 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) | 26,72,184 | NIL |
| 8. | Mr. Kamal Gupta (Chief Financial Officer) | 32,41,266 | 13.28% |

Note: On recommendation of Nomination and remuneration Committee, Board has also approve consultancy fees of not exceeding Rs. 18 Lacs in financial year to Mr. Sanjiwan Sahani against the professional services rendered by him in respect of Joint Ventures, Yes Bank case and others matters.

***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 4,77,156;
- (iii) In the financial year 2015-16, the median remuneration of employees decreased by 12.49%; due to transfer/appointment of employees in part of the financial year;
- (iv) There were 24 permanent employees (including KMPs) on the rolls of Company as on March 31, 2016;
- (v) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2016 was Rs.11105.48 lacs. and Rs. 7286.79 lacs as on March 31, 2015;
- (vi) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 and comparison with the percentage increase/(decrease) in managerial remuneration: (12.49)% Vs 13.28%
- (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 12, 2016

Alok Kumar Modi
Managing Director

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2016

[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.: 011-47107398 |
| | | Email: |
| 7 | Whether listed Company: | Yes |
| 8 | Name, Address and Contact details of Registrar and Transferor Agent: | Messrs MAS Services Ltd, T-34, II Floor, Okhla Industrial Area, Phase-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 | 81.92% |
| 2 | Guest House | 55103 | 18.08% |
| 3 | Tubes and tyres | 25111 | - |

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, Prahlanagar 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 | 7 | 13270881 | 12130663 | 52.998 | 52.998 | 1288015 | 9.706 |
| (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) | | 7 | 13270881 | 12130663 | 52.998 | 52.998 | 1288015 | 9.706 |
| (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 Portfolio Investor | 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) | | 8 | 15824959 | 12130663 | 63.198 | 63.198 | 1288015 | 9.706 |
| (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 Investment Funds | 0 | 0 | 0 | 0.000 | 0.000 | N.A. | N.A. |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.000 | 0.000 | N.A. | N.A. |
| (e) | Foreign Portfolio Investors | 0 | 0 | 0 | 0.000 | 0.000 | N.A. | N.A. |
| (f) | Financial Institutions Banks | 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. |
| (3) | Non-Institutions | | | | | | | |
| (a) | Individuals- i. Individual shareholders holding nominal share capital up to Rs. 2 lac | 12897 | 1929070 | 884798 | 7.704 | 7.704 | N.A. | N.A. |
| (a) | Individuals- ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lac. | 7 | 162914 | 162914 | 0.651 | 0.651 | 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 % |
| (b) | NBFCs registered with RBI | 0 | 0 | 0 | 0.000 | 0.000 | N.A. | N.A. |
| (c) | Employee Trust | 0 | 0 | 0 | 0.000 | 0.000 | N.A. | N.A. |
| (e) | Any Other (specify) Bodies Corporate | 159 | 602570 | 578320 | 2.406 | 2.406 | 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 | 55 | 5773170 | 5772344 | 23.055 | 23.055 | N.A. | N.A. |
| (h) | Any Other (specify) Clearing Member | 17 | 4357 | 4357 | 0.017 | 0.017 | 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) Pakistani Share-Holders | 0 | 0 | 0 | 0.000 | 0.000 | N.A. | N.A. |
| (m) | Any Other (specify) Director's & Their Relatives | 0 | 0 | 0 | 0.000 | 0.000 | N.A. | N.A. |
| (n) | Any Other (specify) Foreign Companies | 0 | 0 | 0 | 0.000 | 0.000 | N.A. | N.A. |
| SUB-TOTAL (B)(3) | | 13137 | 8482381 | 7413033 | 33.874 | 33.874 | N.A. | N.A. |
| Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3) | | 13158 | 9215573 | 7643645 | 36.802 | 36.802 | 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) | | 13166 | 25040532 | 19774308 | 100 | 100 | 1288015 | 9.706 |

ii. Shareholding of Promoters

| S No. | Shareholders Name | Shareholding at the beginning of the year | | | Share holding 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 | Rajputana Fertilizers Ltd | 126007 | 0.503 | 0 | 126007 | 0.503 | 0 | 0 |
| 8 | M/S Modi Industries Ltd | 800000 | 3.194 | 0 | 800000 | 3.194 | 0 | 0 |
| | Total | 15824959 | 63.197 | 5.144 | 15824959 | 63.197 | 5.144 | 0 |

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

| S 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 |
| | 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): | There is no change in Promoters' Shareholding between 01.04.2015 to 31.03.2016 | | | |



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

| S. 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 1,2015) | 5739451 | 22.921% | 5739451 | 22.921% |
| | Transaction (Purchase/sale) from April 1,2015 up to March 31, 2016 | - | - | -- | -- |
| | At the end of the year (March 31, 2016) | 5739451 | 22.921% | 5739451 | 22.921% |
| 2. | JP Morgan Securities | | | | |
| | At the Beginning of the Year (April 1,2015) | 500810 | 2% | 500810 | 2% |
| | Transaction (Purchase/sale) from April 1,2015 up to March 31,2016 | - | - | - | - |
| | At the end of the year (March 31,2016) | 500810 | 2% | 500810 | 2% |
| 3 | Merlin Resources Private Limited | | | | |
| | At the Beginning of the Year (April 1,2015) | 496600 | 1.983% | 496600 | 1.983% |
| | Transaction (Purchase/sale) from April 1,2015 up to March 31,2016 | - | - | - | - |
| | At the end of the year (March 31,2016) | 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 1,2015) | 228481 | 0.912% | 228481 | 0.912% |
| | Transaction (Purchase/sale) from April 1,2015 up to March 31, 2016 | - | - | - | - |
| | At the end of the year (March 31, 2016) | 228481 | 0.912% | 228481 | 0.912% |
| 5. | HITESH RAMJI JAVERI | | | | |
| | At the Beginning of the Year (April 1,2015) | 30100 | 0.120 | 30100 | 0.120 |
| | Transaction (Purchase/sale) from April 1,2015 up to March 31,2016 | | | | |
| | At the end of the year (March 31, 2016) | 44919 | 0.179 | 44919 | 0.179 |
| 6. | HARSHA HITESH JAVERI | 44919 | 0.179 | 44919 | 0.179 |
| | At the Beginning of the Year (April 1,2015) | 30100 | 0.120% | 30100 | 0.120% |
| | Transaction (Purchase/sale) from April 1,2015 up to March 31, 2016 | 9900 | .040 | 9900 | .040 |
| | At the end of the year (March 31, 2016) | 40000 | 0.160 | 40000 | 0.160 |
| 7. | VIMALCHAND A | | | | |
| | At the Beginning of the Year (April 1,2015) | - | - | - | - |
| | Transaction (Purchase/sale) from April 1, 2015 up to March 31,2016 | 19701 | 0.079 | 19701 | 0.079 |
| | At the end of the year (March 31, 2016) | 19701 | 0.079 | 19701 | 0.079 |
| 8. | MANISH PAL ARORA | | | | |
| | At the Beginning of the Year (April 1,2015) | 18795 | 0.075 | 18795 | 0.075 |
| | Transaction (Purchase/sale) from April 1,2015 up to March 31,2016 | - | - | - | - |
| | At the end of the year (March 31,2016) | 18795 | 0.075 | 18795 | 0.075 |

| S. 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 | | | | | |
| 9. | AJITSINH GOKALDAS KHIMJI | | | | |
| | At the Beginning of the Year (April 1,2015) | 15950 | 0.064 | 15950 | 0.064 |
| | Transaction (Purchase/sale) from April 1,2015 up to March 31,2016 | - | - | - | - |
| | At the end of the year (March 31, 2016) | 15950 | 0.064 | 15950 | 0.064 |
| 10. | G PRAKASH CHAND BAID HUF Anugraha | | | | |
| | At the Beginning of the Year (April 1,2015) | -- | -- | -- | -- |
| | Transaction (Purchase/sale) from April 1,2015 up to March 31,2016 | 15496 | 0.062 | 15496 | 0.062 |
| | At the end of the year (March 31,2016) | 15496 | 0.062 | 15496 | 0.062 |

v. Shareholding of Directors and Key Managerial Personnel:

| S 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 2015-16 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 | | | | |

vi. INDEBTEDNESS

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|-------------------------------------------------------------------------|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year (01.04.2015) | 250.00 (Lacs) | 50.15 (Lacs) | | 300.15 (Lacs) |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 250.00 (Lacs) | 50.15 (Lacs) | | 300.15 (Lacs) |
| Change in Indebtedness during the financial year | | | | |
| * Addition | | | | |
| * Reduction | | - 11.54 (Lacs) | | |
| Net Change | | | | |
| Indebtedness at the end of the financial year (31.03.2016) | 250.00 (Lacs) | 38.61 (Lacs) | | 288.61 |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | | | | |



vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| S 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 | | | - |
| | Ceiling as per the Act | | | | |

B. Remuneration to other directors:

| Particulars of Remuneration | Name of Directors | | | Total Amount |
|--------------------------------------------|-----------------------------------------------------------------------------------|----------------|---------------|-----------------|
| | Kawaljit Singh Bains | Sanjiwan Sahni | Neeraj Sharma | |
| Independent Directors | | | | |
| Fee for attending board committee meetings | 65000 | 45000 | 15000 | 125000 |
| Commission | - | - | - | |
| Others, please specify | | | | |
| Traveling Expenses | 13500 | 10500 | 3000 | 27000 |
| Total (1) | 78500 | 55500 | 18000 | 152000/- |
| Other Non-Executive Directors | No Remuneration and Sitting fees paid to any other Director or KMP of the Company | | | |
| Fee for attending board committee meetings | | | | |
| Commission | | | | |
| Others, please specify | | | | |
| Total (2) | | | | |
| Total (B)=(1+2) | | | | |
| Total Managerial Remuneration | | | | |
| Overall Ceiling as per the Act | | | | |

*On recommendation of Nomination and remuneration Committee, Board has also approve consultancy fees of not exceeding Rs. 18 Lacs in financial year to Mr. Sanjiwan Sahani against the professional services rendered by him in respect of Joint Ventures, Yes Bank case and others matters.

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

| Sl. No. | Particulars of Remuneration | Key | Managerial | Personnel | Total |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------------------------------|--------------------|------------------|
| | | | Company Secretary Sanjeev Kumar Bajpai | CFO 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 | | 2672,184 | 3241,266 | 5,913,450 |
| 2 | Stock Option | | - | - | - |
| 3 | Sweat Equity | | - | - | - |
| 4 | Commission - as % of profit - others, specify | | - | - | - |
| 5 | Others, please specify | | - | - | - |
| | Total | | 2672,184 | 3241,266 | 5,913,450 |

viii. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishments / compounding of offences under Companies Act, 2013 for the year ending March 31, 2016.

For and on behalf of the Board of Directors

Place : New Delhi
Date : August 12, 2016

Alok Kumar Modi
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

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 24 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.



REPORT ON CORPORATE GOVERNANCE

In compliance with Regulation 34(3) read with schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations, 2015"), the Company submits the Corporate Governance Report for the year ended 31st March, 2016.

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 Listing Agreements SEBI (LODR), 2015.

CODE OF CONDUCT

The Board Members and Senior Managerial Personnel affirm compliance with the Code of Conduct as applicable to them for the period under review and a copy of Code has also been put on the Company's website www.modirubberlimited.com

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 the Board of the Company is in conformity with the requirements of SEBI (LODR) 2015. The Board consists of 6 (Six) Directors. The Chairman of the Board of the Company is a Non-Executive Director.

The composition and the category of Directors on the Board of the Company are as under:

| Name/ Designation of Director(s) | Category of Director (Executive / Non-Executive / Independent) | No. of Chairmanships / Memberships of other Board Committees | |
|-------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------|------------|
| | | Chairmanship | Membership |
| Shri Vinay Kumar Modi Chairman | Non- Executive Director | 02 | 01 |
| Shri Alok Kumar Modi Managing director | Executive Director | 00 | 01 |
| Shri K S Bains | Non-Executive Independent Director | 02 | 01 |
| Shri Sanjiwan Sahni | Non-Executive Independent Director | 00 | 03 |
| Shri Neeraj Sharma | Non-Executive Independent Director | 00 | 01 |
| Ms Piya Modi Whole-Time –Director | Executive Director | 00 | 00 |

Please Note_

- During the year under review, there was no pecuniary relationship or business transaction by the Company with any Non-Executive Director.
- Independent Directors has 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, except a payment of Rs. 18 Lacs has been made (Approved by Board 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.

Share holding of Non Executive Directors

| Name | Shri Vinay Kumar Modi | Shri KS Bains | Shri Sanjiwan Sahni | Shri Neeraj Sharma |
|--------------------|-----------------------|---------------|---------------------|--------------------|
| No. of Shares held | Nil | Nil | Nil | Nil |

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 2015-16 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.

(B) Board Meetings

During the financial year 2015-16, the Board had 4 (four) meetings on May 29, 2015, July 27, 2015, November 10, 2015 and February 04, 2016. The maximum gap between any two Board meetings was less than four months. The agenda papers are circulated to the Directors well in advance prior to the meeting. All material informations are incorporated in the agenda papers and updated at the meeting too, for facilitating meaningful and focused discussions. In case of exigencies or urgencies, resolutions are considered by circulation as well.

Attendance of Directors at Board Meetings and the last Annual General Meeting

The details of attendance of Directors at board meetings and at the last Annual General Meeting held during the financial year 2015-16 is as under:

| Name of Director(s) | No. of Board Meetings during the year | | Attended last Annual General Meeting |
|-----------------------|---------------------------------------|----------|--------------------------------------|
| | Held | Attended | |
| Shri Vinay Kumar Modi | 4 | 3 | No |
| Shri Alok Kumar Modi | 4 | 4 | Yes |
| Shri K S Bains | 4 | 4 | No |
| Shri Sanjiwan Sahni | 4 | 3 | No |
| Shri Neeraj Sharma | 4 | 1 | No |
| Ms. Piya Modi | 4 | 4 | No |

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.

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 of the Management financial reporting process with a view to ensuring accurate and timely disclosures with transparency and quality of financial. 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 K S Bains as Chairman, Shri Vinay Kumar Modi, Shri Sanjiwan Sahni 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 mechanism; 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 29, 2015, July 27, 2015, November 10, 2015 and February 04, 2016. The composition and the attendance of members at the meetings held during the FY 2015-16, 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 | 3 |
| Shri Sanjiwan Sahni Member | Non-Executive Independent Director | 4 | 3 |
| Shri Neeraj Sharma Member | Non-Executive Director Independent Director | 4 | 1 |

2. NOMINATION AND REMUNERATION COMMITTEE

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

The Board had constituted the Nomination and Remuneration Committee comprising of Non Executive Directors of the company namely Shri K S Bains as Chairman , Shri Vinay Kumar Modi and Shri Sanjiwan Sahni 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) Policy for appointment 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

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 Sanjiwan Sahni as Members. In order to expediting process for transfer of shares, Board of Directors have delegated power to approve transfer of shares upto 1000 to the Company Secretary and from 1001 to 5000 to the managing director and transfer of shares beyond 5000 are approved by the Committee. During the year under review, company did not receive more than 5000 shares from single shareholders for approval by the committee.

(b) Name and designation of Compliance Officer

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

Shri S.K BAJPAI
Legal Head & Company Secretary
Email: investors@modigroup.net

(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, 52 complaints were 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, 2016.

4. Corporate Social Responsibility ("CSR") Committee

Composition and terms of reference of CSR Committee

The CSR Committee comprises of Shri Vinay kumar Modi, Shri Kanwaljit Singh Bains and Shri Alok Kumar Modi. Two members of CSR committee are non-executive directors of the company. CSR Policy is also posted on the website of the Company www.modirubberlimited.com The CSR Committee constituted complies with requirements of the Companies Act, 2013 and main terms of reference CSR Committee are as under:- .

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

GENERAL BODY MEETINGS

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

| Year | Venue | Date | Time |
|----------------------|----------------------------------------|------------|------------|
| 42 nd AGM | Dayawati Modi Public School, Modinagar | 29.09.2015 | 11.30 A.M. |
| 41 st 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.

| | | % Holdings |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| A) Subsidiary Companies: | | |
| 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. | 49.98 |
| D) Key Management Personnel: | | |
| 1 | Mr. Alok Kumar Modi-Managing Director | |
| 2 | Miss Piya Modi-Whole Time Director | |



| | | |
|-----------|---------------------------------------------------------------------------------------------|--|
| 3 | Mr. Sanjeev Kumar Bajpai-Head-Legal & 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 Singhanian (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:

| | | 31/03/2016 | 31/03/2015 |
|-----------|---------------------------------------|-------------------|-------------------|
| A) | Subsidiaries: | Rs. Lacs | Rs. Lacs |
| i) | Transfer of Assets /Liabilities (Net) | Nil | (2329.02) |
| ii) | Receivable at the year end | Nil | Nil |
| B) | Joint Venture: | | |
| i) | Income Received | 1337.56 | 1342.01 |
| ii) | Expenses incurred on behalf | (8.48) | 10.31 |
| iii) | Transfer of Assets/Liabilities (Net) | (1326.21) | 1356.70 |
| iv) | Receivable/(Payable) at the year end | 0.23 | (2.64) |
| C) | Associate: | | |
| i) | Income Received | 0.03 | Nil |
| ii) | Expenses incurred on behalf | Nil | 0.24 |
| iii) | Receivable at the year end | 2.26 | 2.23 |
| D) | Key Management Personnel | | |
| i) | Remuneration Paid | 89.37 | 57.63 |
| E) | Others: | | |
| i) | Income Received | 53.95 | 47.76 |
| ii) | Transfer of Assets/Liabilities (Net) | 106.78 | 19.26 |
| iii) | Expenses incurred on behalf | 103.21 | 30.26 |
| iv) | Payable/(Receivable) at the year end | (95.37) | (37.85) |

- **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 clause 49 of the erstwhile Listing Agreement applicable upto 30th November, 2015 and Listing Regulations 2015.**

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 : 29th September 2016, 11.30 A.M.

General Meeting : Auditorium, Dayawati Modi Public School, Modinagar-201 204

Book Closure : 21.09.2016 to 29.09.2016 (both days inclusive)

Financial Calendar : April 01, 2015 to March 31, 2016

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 | High Price | Low Price | No.of Shares |
|------------|------------|-----------|--------------|
| April 2015 | 30.85 | 21.15 | 39184 |
| May 2015 | 39.2 | 27 | 44705 |
| June 2015 | 31.25 | 26.6 | 13349 |
| July 2015 | 30.25 | 24.4 | 9326 |
| Aug 2015 | 26.5 | 21.75 | 9169 |
| Sep 2015 | 26.3 | 21.55 | 18841 |
| Oct 2015 | 32 | 22.6 | 29261 |
| Nov 2015 | 38.2 | 31.4 | 149111 |
| Dec 2015 | 57.9 | 32.1 | 53130 |
| Jan 2016 | 73 | 51 | 121308 |
| Feb 2016 | 59.15 | 46.35 | 31597 |
| Mar 2016 | 62.8 | 42.25 | 38234 |

- 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 31.03.2016:

| No. of shares | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|------------------|---------------------|-------------------|--------------------|-------------------|
| 1 – 5000 | 12489 | 94.858 | 1261726 | 5.039 |
| 5001 – 10000 | 431 | 3.274 | 335134 | 1.338 |
| 10001 – 20000 | 141 | 1.071 | 214882 | 0.858 |
| 20001 – 30000 | 47 | 0.357 | 85987 | 0.343 |
| 30001 – 40000 | 11 | 0.084 | 26821 | 0.107 |
| 40001 – 50000 | 8 | 0.061 | 40208 | 0.161 |
| 50001 – 100000 | 19 | 0.144 | 112125 | 0.448 |
| 100001 and above | 20 | 0.152 | 22963649 | 91.706 |
| TOTAL | 13319 | 100.00 | 25040532 | 100.00 |

Shareholding pattern as on 31.03.2016.

| Category | No. of Shares held | % of Shareholding |
|---------------------------------|--------------------|-------------------|
| Promoters | 15824959 | 63.20 |
| Banks, Insurance Companies | 3201 | 0.01 |
| Mutual Funds | 700 | 0.00 |
| Foreign Institutional Investors | 729291 | 2.91 |
| Bodies Corporate | 602570 | 2.395 |
| NRI/OCBs | 5773170 | 23.053 |
| Indian Public | 2106641 | 8.432 |
| Total | 25040532 | 100.00 |

Dematerialization of Shares and Liquidity

Over 78.48% of the shares have been dematerialised upto 31.03.2016.

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 for transfer/dematerialization of shares, and any other query | : Mas Services Ltd. T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi-110 020 Ph: 26387281/82/83 Fax: 26387384 email: mas_serv@yahoo.com 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 12, 2016

(Alok Kumar Modi)
Managing Director

INDEPENDENT AUDITORS' COMPLIANCE CERTIFICATE

To the Members of
Modi Rubber Limited

1. We have examined the compliance of conditions of Corporate Governance by MODI RUBBER LIMITED ("the Company"), for the year ended on March 31, 2016, as stipulated in:
 - Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015;
 - Clause 49 (VII) (E) of the Listing Agreements of the company with stock exchanges for the period April 1, 2015 to September 1, 2015;
 - Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016; and;
 - Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per Guidance Note on Certification of Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 as above, during the year ended March 31, 2016.
5. 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 Accountant
(Firm Registration No. 07966N)

(Prabhat Jain)
Partner
M. No.-086756

Place : New Delhi
Date : 12.08.2016



INDEPENDENT AUDITORS' 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 comprise the Balance Sheet as at March 31, 2016, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate Internal financial control system over financial reporting 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 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, 2016 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:

- 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;
- 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;
- 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;
- 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;
- on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
- 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;
- 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, 2016 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; and;
 - 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, 2016

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

CA. Prabhat Jain

Partner

(M. No. 086756)

Place: New Delhi

Date : 27.05.2016

ANNEXURE 'A' REFERRED IN OUR REPORT ON STANDALONE FINANCIAL STATEMENTS TO THE MEMBERS OF MODI RUBBER LIMITED FOR THE YEAR ENDED 31st MARCH 2016

- (i) a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
b) The fixed assets (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 | 27.49 |
| 2 | Building | 98.73 | 18.96 |

- (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 granted an unsecured loan to one of its wholly owned subsidiary company, covered in the register maintained under section 189 of the Act.

- a) The terms and conditions of the aforesaid loan are not prejudicial to interest of the Company;
b) The loan granted was repaid as per schedule; and
c) There is no overdue amount in respect of such loan.
(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 and the rules framed thereunder to the extent notified. 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. 126.26 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 | 1,604.72 | High Court and Appellate 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 | J & K ST Act | Jammu & Kashmir | 42.33 | D.C. (A) | 2001-2002 |
| 10 | M.P Comm. Tax Act | Madhya Pradesh | 134.40 | D.C. (A) | 1993-2002 |
| 11 | Uttaranchal ST Act | Uttaranchal | 20.29 | Jt. Comm. (A) | 2000-2002 |
| 12 | Pondicherry ST Act | Puducherry | 0.73 | D.C. (A) | 1999-2000 |

- (viii) The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
(ix) The Company did not raise any money by way of initial offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
(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-IA 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 : 27.05.2016

ANNEXURE 'B' REFERRED IN OUR REPORT ON STANDALONE FINANCIAL STATEMENTS TO THE MEMBERS OF MODI RUBBER LIMITED FOR THE YEAR ENDED 31st MARCH 2016

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, 2016 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, 2016, 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 : 27.05.2016

BALANCE SHEET

AS AT 31ST MARCH, 2016

| PARTICULARS | Note No. | As at 31.03.2016 Rs. Lacs | As at 31.03.2015 Rs. Lacs |
|------------------------------------|--------------|---------------------------------|---------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) SHAREHOLDERS' FUNDS | | | |
| (a) Share Capital | 1 | 2504.05 | 2504.05 |
| (b) Reserves and Surplus | 2 | 11694.98 | 11172.12 |
| | | 14199.03 | 13676.17 |
| (2) NON-CURRENT LIABILITIES | | | |
| (a) Long-Term Borrowings | 3 | 38.61 | 50.15 |
| (b) Other Long Term Liabilities | 4 | 48.90 | 77.64 |
| | | 87.51 | 127.79 |
| (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 | 3336.63 | 3317.63 |
| | | 4033.96 | 4014.96 |
| | TOTAL | 18320.50 | 17818.92 |
| II. ASSETS | | | |
| (1) NON-CURRENT ASSETS | | | |
| (a) Fixed Assets | 8 | | |
| (i) Tangible Assets | | 1268.16 | 1277.16 |
| (ii) Intangible Assets | | 4.38 | - |
| (iii) Capital Work -in-Progress | | 497.81 | 36.11 |
| (b) Non-Current Investments | 9 | 5437.94 | 5437.94 |
| (c) Deferred Tax Assets (Net) | 10 | 1856.64 | 1695.62 |
| (d) Long-Term Loans and Advances | 11 | 571.05 | 487.24 |
| (e) Other Non Current Assets | 12 | 4475.79 | 4261.43 |
| | | 14111.77 | 13195.50 |
| (2) CURRENT ASSETS | | | |
| (a) Current Investments | 13 | 2566.15 | 3275.53 |
| (b) Inventories | 14 | 75.42 | 75.42 |
| (c) Trade Receivables | 15 | 253.40 | 173.62 |
| (d) Cash and Bank Balances | 16 | 226.15 | 183.33 |
| (e) Short-Term Loans and Advances | 17 | 1087.61 | 915.52 |
| | | 4208.73 | 4623.42 |
| | TOTAL | 18320.50 | 17818.92 |

Significant Accounting Policies and Notes on Financial Statements 1-23

| | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| As per our Report Attached For P D M and Company (Firm Registration No. 007966N) Chartered Accountants CA. Prabhat Jain Partner M.No. 086756 | Date : 27.05.2016 Place : New Delhi | Alok Modi Managing Director K.S. Bains Neeraj Sharma Piya Modi Directors | S.K. Bajpai Head – Legal & Company Secretary Kamal Gupta Chief Financial Officer |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|



S TATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

| PARTICULARS | Note No. | Year ended 31.03.2016 Rs. Lacs | Year ended 31.03.2015 Rs. Lacs |
|----------------------------------------------------------------------------|----------|-----------------------------------|-----------------------------------|
| INCOME | | | |
| Revenue from Operations | 18 | 538.70 | 523.36 |
| Other Income | 19 | 1797.77 | 2017.56 |
| TOTAL | | 2336.47 | 2540.92 |
| EXPENSES | | | |
| Employee Benefits Expense | 20 | 441.86 | 400.62 |
| Finance Costs | 21 | 5.88 | 1.87 |
| Depreciation and Amortization Expense | 8 | 113.83 | 169.72 |
| Other Expenses | 22 | 1413.21 | 1859.28 |
| TOTAL | | 1974.78 | 2431.49 |
| PROFIT BEFORE TAX | | 361.69 | 109.43 |
| Less/(Add): Tax Expense | | | |
| Current Tax | 23 | (0.15) | 12.80 |
| Deferred Tax Liability/(Asset) | | (161.02) | (23.26) |
| PROFIT FOR THE YEAR | | 522.86 | 119.89 |
| Basic and Diluted Earning Per Equity Share (in Rupees) (Not Annualised) | | 2.09 | 0.48 |
| Significant Accounting Policies and Notes on Financial Statements | 1-23 | | |

Date : 27.05.2016
Place : New Delhi

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
Neeraj Sharma
Piya Modi
Directors

S.K. Bajpai
Head – Legal &
Company Secretary

Kamal Gupta
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

| | 31.03.2016 | | 31.03.2015 | |
|------------------------------------------------------------------------------------|------------|-------------------|------------|-----------------|
| | Rs.Lacs | Rs.Lacs | Rs.Lacs | Rs.Lacs |
| A. Cash Flow from operating activities | | | | |
| Net Profit before tax and extraordinary items | | 361.69 | | 109.43 |
| Add: Adjustments for: | | | | |
| Depreciation and Amortization | 113.83 | | 169.72 | |
| Interest Paid | 5.88 | | 1.87 | |
| Interest Income | (162.00) | | (172.42) | |
| Net(Profit)/Loss on Fixed Assets Sold/discarded/written off | (26.14) | | (287.85) | |
| Net(Profit)/Loss on Investments | (244.91) | | 466.66 | |
| Provision made for Gratuity | 12.43 | | - | |
| Balances /Provisions not required Written off/(back) (Net) | (2.56) | | (225.09) | |
| Dividend Received | (1,360.81) | (1,664.28) | (1,334.00) | (1,381.11) |
| Operating profit/(Loss) before working capital changes | | (1,302.59) | | (1,271.68) |
| Adjustments for: | | | | |
| (Increase)/Decrease in Current Assets | (215.85) | | 2,154.44 | |
| Increase/(Decrease) in Current Liabilities and Provisions | 9.13 | | (87.65) | |
| | | (206.72) | | 2,066.79 |
| Cash generated from operations before tax | | (1,509.31) | | 795.11 |
| Add: Taxes (paid)/refund | | (96.22) | | (96.75) |
| Net cash generated from operating activities (A) | | (1,605.53) | | 698.36 |
| B. Cash flow from investing activities: | | | | |
| Interest Received | | 145.80 | | 113.96 |
| Dividend Received | | 1,360.81 | | 1,334.00 |
| (Increase)/Decrease in Fixed Deposit with Banks having maturity more than 3 months | | (206.77) | | 125.22 |
| Additions to Fixed assets/WIP | | (570.98) | | (140.35) |
| Proceeds from Sale of Fixed Assets | | 26.21 | | 290.06 |
| Purchase of Investment | | (3,089.52) | | (13,753.66) |
| Proceeds from Sale of Investments | | 4,036.55 | | 11,256.47 |
| Net cash generated from investing activities (B) | | 1,702.10 | | (774.30) |
| C. Cash Flow from financing activities: | | | | |
| Increase/(Decrease) in Borrowings | | (11.54) | | 47.59 |
| Increase/(Decrease) Other Non Current Liabilities | | (28.74) | | (10.66) |
| Interest paid | | (5.88) | | (1.87) |
| Net cash used in financing activities (C) | | (46.16) | | 35.06 |
| Net increase/(decrease) in cash and cash equivalent(A+B+C) | | 50.41 | | (40.88) |
| Cash and cash equivalents as at the beginning of the year | | 106.57 | | 147.45 |
| Cash and cash equivalents as at the end of the year | | 156.98 | | 106.57 |
| NOTES: 1. Cash and Cash equivalents includes. | | | | |
| Cash on Hand | | 1.54 | | 4.42 |
| Balance with Banks in: | | | | |
| - Current Accounts | | 155.44 | | 101.65 |
| - Cheque in Hand | | - | | 0.50 |
| TOTAL | | 156.98 | | 106.57 |

2. Previous year 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
Neeraj Sharma
Piya Modi
Directors

S.K. Bajpai
Head – Legal &
Company Secretary

Kamal Gupta
Chief Financial Officer

Date : 27.05.2016
Place : New Delhi



SHARE CAPITAL NOTE-1

| PARTICULARS | As at | As at |
|------------------------------------------------------------------------------|-----------------|-----------------|
| | 31.03.2016 | 31.03.2015 |
| | 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 |
| | 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 |
| 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 |
| Reconciliation of the number of shares | | |
| Outstanding at the beginning of the year | 25040532 | 25040532 |
| Add: Issued during the year | - | - |
| Outstanding at the end of the year | 25040532 | 25040532 |

Terms/Rights attached to Shares

Equity Shares:

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 |
|-------------------------------------------------------------|-----------------|-----------------|
| | 31.03.2016 | 31.03.2015 |
| | 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 | 5370.54 | 5250.65 |
| Add: Profit for the year | 522.86 | 119.89 |
| At the end of the year | 5893.40 | 5370.54 |
| TOTAL | 11694.98 | 11172.12 |

LONG-TERM BORROWINGS

Note-3

| PARTICULARS | As At | As At |
|--------------------------------------------|--------------|--------------|
| | 31.03.2016 | 30.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Term Loan from Others (Secured)* | 50.15 | 63.10 |
| Less: Current Maturities of Long-Term Debt | (11.54) | (12.95) |
| TOTAL | 38.61 | 50.15 |

* * Secured by hypothecation of a Vehicle. Repayable in equated monthly instalment of Rs.1,34,933/- each (including interest). Final instalment due in December 2019.

OTHER LONG TERM LIABILITIES

Note-4

| PARTICULARS | As At | As At |
|-------------------|--------------|--------------|
| | 31.03.2016 | 30.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Security Deposits | 35.03 | 44.33 |
| Duties and Taxes | 13.87 | 33.31 |
| TOTAL | 48.90 | 77.64 |

SHORT-TERM BORROWINGS

Note-5

| PARTICULARS | As At | As At |
|--------------------------------------|---------------|---------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Other Loans and Advances (Unsecured) | | |
| - 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

TRADE PAYABLES

Note-6

| PARTICULARS | As At | As At |
|-----------------|---------------|---------------|
| | 31.03.2016 | 31.03.2015 |
| | 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 Carbons 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 |
|--------------------------------------|----------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Current Maturities of Long-Term Debt | 11.54 | 12.95 |
| Sundry Creditors | 236.89 | 233.03 |
| Expenses Payable | 374.55 | 103.57 |
| Duties and Taxes | 2408.66 | 2419.42 |
| Security Deposits | 9.31 | 9.31 |
| Gratuity Payable | 12.43 | 247.75 |
| Compensation Payable to Employees | 283.25 | 291.60 |
| TOTAL | 3336.63 | 3317.63 |

FIXED ASSETS

NOTE - 8

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-----------------------------------------------------------------|----------------|---------------|----------------------------|----------------|----------------|---------------|----------------------------|----------------|----------------|----------------|
| | As At | Additions | Adjustments/ Deductions | As At | Upto | For the | Adjustments/ Deductions | Upto | As At | As At |
| | 01.04.2015 | Rs.lacs | Rs.lacs | 31.03.2016 | 31.03.2015 | Period | Rs.lacs | 31.03.2016 | 31.03.2016 | 31.03.2015 |
| | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs |
| Tangible Assets | | | | | | | | | | |
| Land - Free Hold | 186.76 | 0.00 | 0.00 | 186.76 | 0.00 | 0.00 | 0.00 | 0.00 | 186.76 | 186.76 |
| Land - Lease Hold | 127.53 | 0.00 | 0.00 | 127.53 | 0.00 | 0.00 | 0.00 | 0.00 | 127.53 | 127.53 |
| Buildings | 2995.80 | 0.00 | 0.00 | 2995.80 | 2391.74 | 30.10 | 0.00 | 2421.84 | 573.96 | 604.06 |
| Plant & Machinery | 3558.48 | 0.00 | 0.00 | 3558.48 | 3380.56 | 0.00 | 0.00 | 3380.56 | 177.92 | 177.92 |
| Furniture, Office Equipments & Electrical Installations etc. | 425.80 | 45.02 | 0.00 | 470.82 | 337.40 | 40.65 | 0.00 | 378.05 | 92.77 | 88.40 |
| Vehicles | 162.68 | 55.97 | 8.69 | 209.96 | 70.19 | 39.16 | 8.61 | 100.74 | 109.22 | 92.49 |
| TOTAL (A) | 7457.05 | 100.99 | 8.69 | 7549.35 | 6179.89 | 109.91 | 8.61 | 6281.19 | 1268.16 | 1277.16 |
| Previous Year | 7388.10 | 104.24 | 35.29 | 7457.05 | 6043.33 | 169.72 | 33.16 | 6179.89 | 1277.16 | 1344.77 |
| Intangible Assets | | | | | | | | | | |
| Patent & Trade Marks | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Computer Software | 0.00 | 8.30 | 0.00 | 8.30 | 0.00 | 3.92 | 0.00 | 3.92 | 4.38 | 0.00 |
| TOTAL (B) | 0.00 | 8.30 | 0.00 | 8.30 | 0.00 | 3.92 | 0.00 | 3.92 | 4.38 | 0.00 |
| Previous Year | 0.08 | 0.00 | 0.08 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.08 |
| GRAND TOTAL (A+B) | 7457.05 | 109.29 | 8.69 | 7557.65 | 6179.89 | 113.83 | 8.61 | 6285.11 | 1272.54 | 1277.16 |
| Previous Year | 7388.18 | 104.24 | 35.37 | 7457.05 | 6043.33 | 169.72 | 33.16 | 6179.89 | 1277.16 | 1344.85 |

NOTE:

1. Building Includes :-

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| - On leasehold basis | Rs.lacs |
| - Alongwith cost of land on which depreciation charged on total cost | 739.34 |
| - For which conveyance deed is yet to be executed (15, Friends Colony West, New Delhi) | 12.52 |
| - 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. | 98.73 |
| | 165.00 |

NON-CURRENT INVESTMENTS

Note-9

| PARTICULARS | As at | | |
|----------------------------------------------------------------------------------------------------------|----------------------|----------------|----------------------|
| | 31.03.2016 | 31.03.2015 | |
| | Rs. Lacs | Rs. Lacs | Rs. Lacs |
| A. 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 (197999) | | 19.80 | 19.80 |
| 680001 Bihar Sponge Iron Ltd. of Rs. 10 each (680001) | | 68.00 | 68.00 |
| 92750 Infosys Limited of Rs.5 each (Bonus Shares) (46375) | | - | - |
| SUB TOTAL | | 87.80 | 87.80 |
| Unquoted (At Cost) | | | |
| Trade Investments | | | |
| 11475000 Modistone Ltd. of Rs. 10 each* (11475000) Less : Provision for diminution in Value of Shares | 2137.50 (2137.50) | - | 2137.50 (2137.50) |
| 33350000 Gujarat Guardian Ltd. of Rs. 10 each*** (33350000) | | 3335.00 | 3335.00 |
| 29915 Superior Investment (India) Ltd. of Rs. 100 each** (29915) | | 29.92 | 29.92 |
| 29915 Spin Investment (India) Ltd. of Rs. 100 each** (29915) | | 29.92 | 29.92 |
| 14700000 Asahi Modi Materials (Pvt) Ltd. of Rs. 10 each*** (14700000) | | 1470.00 | 1470.00 |
| Other Investments | | | |
| 3137000 Xerox India Ltd.of Rs. 10 each (3137000) | | 459.30 | 459.30 |
| 1250000 Spark Plug Ltd. of Rs. 10 each (1250000) Less : Provision for diminution in value of shares | 125.00 (125.00) | - | 125.00 (125.00) |
| SUB TOTAL | | 5324.14 | 5324.14 |
| SUB TOTAL (A) | | 5411.94 | 5411.94 |
| B. Investment In Government or Trust Securities | | | |
| Unquoted (At cost) | | | |
| Other Investments | | | |
| 12.30% Central Government Stock, 2016 | | 14.00 | 14.00 |
| 12.60% Central Government Stock, 2018 | | 12.00 | 12.00 |
| SUB TOTAL (B) | | 26.00 | 26.00 |
| TOTAL (A+B) | | 5437.94 | 5437.94 |
| Aggregate Value of Quoted Investments | | 87.80 | 87.80 |
| Aggregate Market Value of Quoted Investments | | 1203.98 | 1075.78 |
| Aggregate Gross Value of Unquoted Investments | | 7612.64 | 7612.64 |
| Aggregate Value of Provision for Diminution in Value of Unquoted Investments | | 2262.50 | 2262.50 |
| Aggregate Net Value of Unquoted Investments | | 5350.14 | 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 | As At |
|---------------------------------------------------------|----------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Deferred Tax Asset (Liability) | | |
| Carried Forward Business Losses/Unabsorbed Depreciation | 1463.99 | 1159.24 |
| Taxes and Duties | 624.78 | 660.36 |
| Depreciation and Amortisation of Fixed Assets | (190.58) | (217.97) |
| Others | (41.55) | 93.99 |
| TOTAL | 1856.64 | 1695.62 |

LONG-TERM LOANS AND ADVANCES

Note-11

| PARTICULARS | As At | As At |
|----------------------------------------------------------------|---------------|---------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| (unsecured, considered good unless otherwise specified) | | |
| Capital Advances | 84.08 | 2.00 |
| Security Deposits | 14.61 | 12.88 |
| 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 | 571.05 | 487.24 |

OTHER NON CURRENT ASSETS

Note-12

| PARTICULARS | As At | As At |
|-----------------------------------------------------------------------------------------|----------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Balances with Banks | | |
| - in Fixed Deposits with maturity more than 12 months * (including interest accrued) | 4475.79 | 4261.43 |
| TOTAL | 4475.79 | 4261.43 |
| * Includes:- | | |
| In Escrow Accounts | 2535.12 | 2352.58 |
| Against Guarantee | 1423.00 | 1423.00 |
| As Margin Money | 517.67 | 485.85 |

CURRENT INVESTMENTS

Note-13

| PARTICULARS | As At | As At |
|----------------------------------------------------------------|----------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| I. Investment in Mutual Funds-Fully Paid up | | |
| Quoted (At cost) | | |
| Other Investments | | |
| No. of Units | | |
| 5188579 Reliance R. S. Fund -Debt RG of Rs.10/- each | 1000.00 | - |
| (Nil) | | |
| Nil SBI Premier Liquid Fund-R. Plan -Growth of Rs. 10/- each | - | 250.00 |
| (11391) | | |
| 2291833 Reliance Short Term Fund - Growth Plan of Rs.10/-each | 566.15 | 1500.00 |
| (6074410) | | |
| 35360 Franklin India Short Term - IP-RP-Growth of Rs.10/- each | 1000.00 | 1000.00 |
| (35360) | | |
| Nil Reliance Liquid Fund - T Plan -Growth of Rs.10/-each | - | 525.53 |
| (15780) | | |
| TOTAL | 2566.15 | 3275.53 |
| Aggregate Value of Quoted Investments | 2566.15 | 3275.53 |
| Aggregate Market Value of Quoted Investments | 2797.11 | 3395.61 |

INVENTORIES

Note-14

| PARTICULARS | As At | As At |
|-----------------------------------------------------------|--------------|--------------|
| | 31.03.2016 | 31.03.2015 |
| | 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 | As At |
|-----------------------------------------------------------------------------------------|---------------|---------------|
| | 31.03.2016 | 31.03.2015 |
| | 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 | 157.44 | 75.30 |
| - others | 95.96 | 98.32 |
| TOTAL | 253.40 | 173.62 |
| * Due from a Private Company in which one of the director of the Company, is a director | | |
| - Maple Bear Education Pvt. Ltd. | 4.82 | 13.41 |

CASH AND BANK BALANCES

Note-16

| PARTICULARS | As At | As At |
|----------------------------------|---------------|---------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Cash and Cash Equivalents | | |
| Balances with Banks | | |
| In Current Accounts | 155.44 | 101.65 |
| Cheque in hand | 0.00 | 0.50 |
| Cash on hand | 1.54 | 4.42 |
| SUB TOTAL (A) | 156.98 | 106.57 |
| Other Bank Balances | | |
| Balances with Banks | | |
| in Fixed Deposits | 69.17 | 76.76 |
| (Interest accrued but not due) | | |
| SUB TOTAL (B) | 69.17 | 76.76 |
| TOTAL (A+B) | 226.15 | 183.33 |

SHORT-TERM LOANS AND ADVANCES

Note-17

| PARTICULARS | As At | As At |
|----------------------------------------------------------------|----------------|---------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| (unsecured, considered good unless otherwise specified) | | |
| Loans and Advances to a Related Party (Interest free)* | 2.26 | 2.23 |
| Duties and Taxes Paid Under Protest/Recoverable | 40.23 | 40.23 |
| Income-Tax / Wealth Tax (net of provisions) | 548.08 | 451.71 |
| Advances to Suppliers | 52.66 | 129.84 |
| Other Claims Recoverable | 431.31 | 285.35 |
| Staff Advances | 20.53 | 13.62 |
| Less: Provision for doubtful advances | (7.46) | (7.46) |
| TOTAL | 1087.61 | 915.52 |
| * Associate: | | |
| - Vinura Beverage pvt Ltd. | 2.26 | 2.23 |



REVENUE FROM OPERATIONS

NOTE - 18

| PARTICULARS | Year Ended | Year Ended |
|-------------------------|---------------|---------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Other Operating Revenue | | |
| - Others | 538.70 | 523.36 |
| TOTAL | 538.70 | 523.36 |

OTHER INCOME

NOTE - 19

| PARTICULARS | Year Ended | Year Ended |
|-----------------------------------------------|----------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Dividend Income | 1360.81 | 1334.00 |
| Interest Income | 162.00 | 172.42 |
| Net Gain/Loss on Sale of Investments | 244.91 | - |
| Profit on Sale of Fixed Assets (Net) | 26.14 | 287.86 |
| Excess Liabilities/Provisions/Sundry Balances | | |
| Written Back/Off (Net) | 2.56 | 221.94 |
| Miscellaneous Income | 1.35 | 1.34 |
| TOTAL | 1797.77 | 2017.56 |

EMPLOYEE BENEFITS EXPENSE

NOTE - 20

| PARTICULARS | Year Ended | Year Ended |
|--------------------------------------------|---------------|---------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Salaries, Incentives and Allowances | 357.76 | 341.56 |
| Contributions to Provident and Other Funds | 30.45 | 14.59 |
| Staff Welfare Expense | 53.65 | 44.47 |
| TOTAL | 441.86 | 400.62 |

FINANCE COSTS

NOTE - 21

| PARTICULARS | Year Ended | Year Ended |
|------------------|-------------|-------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Interest Expense | 5.88 | 1.87 |
| TOTAL | 5.88 | 1.87 |

OTHER EXPENSES

NOTE - 22

| PARTICULARS | Year Ended | | |
|-----------------------------------|------------|----------------|----------------|
| | 31.03.2016 | 31.03.2015 | |
| | Rs. Lacs | Rs. Lacs | Rs. Lacs |
| Rent | | 59.70 | 44.44 |
| Repair & Maintenance - Buildings | | 269.94 | 361.27 |
| Repairs & Maintenance - Others | | 37.41 | 42.72 |
| Insurance | | 7.86 | 8.35 |
| Rates & Taxes | | 23.01 | 22.88 |
| Auditors' Remuneration: | | | |
| Audit Fee | 6.87 | | 6.74 |
| For Certificates etc. | 2.04 | | 1.57 |
| For Expenses | 0.50 | 9.41 | 0.50 |
| Legal & Professional Charges | | 411.13 | 330.79 |
| Travelling & Conveyance | | 192.90 | 148.62 |
| Electricity & Water | | 84.78 | 94.33 |
| Vehicle Expenses | | 21.60 | 16.72 |
| Communication Expenses | | 19.16 | 19.29 |
| Loss on Sale of Investments (Net) | | - | 466.66 |
| Sales Tax Paid/Provided | | - | 0.59 |
| Charges General | | 145.20 | 145.43 |
| Business Promotion Expenses | | 39.31 | 17.03 |
| Escrow Account Claims (Net) | | - | 17.14 |
| Excise Duty Paid | | - | 2.07 |
| Miscellaneous Expenses | | 91.80 | 112.14 |
| TOTAL | | 1413.21 | 1859.28 |



SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016

Note -23

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
- (b) Goods-in-process
- (c) Finished Goods
- (d) Stores, Spares Parts and Loose Tools
- (e) Scrap and Wastage

At weighted average cost
Lower of Cost or net realisable value.
Lower of Cost or net realisable value.
At weighted average cost.

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

All Fixed Assets are stated at cost less depreciation. Interest on borrowed funds attributable to acquisition of Fixed Assets and revenue expenses incurred prior to installation are capitalised as part of assets cost. Own manufactured assets are capitalised at cost including estimated overheads.

5. Depreciation

Depreciation on Plant and 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.

6. Investments

Residual value of all the fixed assets is considered as 5% of gross value.

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.

7. Revenue recognition

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

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed 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.

B. CONTINGENT LIABILITIES

| | As At | As At |
|-----------------------------------|-------------------|-------------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| 1. Guarantees/Bonds (Unconfirmed) | 1779.25 | 2393.38 |
| 2. Capital Commitments | 398.49 | - |
| 3. Excise /Customs /DGFT Matters | 2356.14 | 2184.61 |
| 4. Unsecured Creditors | 3608.80 | 3324.86 |
| 5. Workers and Employees | 1203.52 | 1376.92 |
| 6. 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 March 31st, 2015 with BIFR on 19/05/2015.



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. 16.92 lacs [previous year Rs. 5.09 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. Earning per Share :

| | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|-------------------------------------------------|--------------------------|--------------------------|
| Profit after Tax (Rs. Lacs) | 522.86 | 119.89 |
| Basic number of equity shares | 25040532 | 25040532 |
| Basic earnings per share (Rs.) (Not Annualised) | 2.09 | 0.48 |

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. | 49.98 |
| 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:

| A) Subsidiaries: | 31/03/2016 Rs. Lacs | 31/03/2015 Rs. Lacs |
|-------------------------------------------|--------------------------------|--------------------------------|
| i) Transfer of Assets /Liabilities (Net) | Nil | (2329.02) |
| ii) Receivable at the year end | Nil | Nil |
| B) Joint Venture: | | |
| i) Income Received | 1337.56 | 1342.01 |
| ii) Expenses incurred on behalf | (8.48) | 10.31 |
| iii) Transfer of Assets/Liabilities (Net) | (1326.21) | 1356.70 |
| iv) Receivable/(Payable) at the year end | 0.23 | (2.64) |
| C) Associate: | | |
| i) Income Received | 0.03 | Nil |
| ii) Expenses incurred on behalf | Nil | 0.24 |
| iii) Receivable at the year end | 2.26 | 2.23 |
| D) Key Management Personnel | | |
| i) Remuneration Paid | 89.37 | 57.63 |
| D) Others: | | |
| i) Income Received | 53.95 | 47.76 |
| ii) Transfer of Assets/Liabilities (Net) | 106.78 | 19.26 |
| iii) Expenses incurred on behalf | 103.21 | 30.26 |
| iv) Payable/(Receivable) at the year end | (95.37) | (37.85) |

9. Due to non availability of technical evaluation of the plant at Modinagar, the value of intangible assets and value of impairment loss on assets as per Accounting Standard 26 and 28 respectively, 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, 2016

| | 31/03/2016 Rs. Lacs | 31/03/2015 Rs. Lacs |
|--------------------------------------------------|--------------------------------|--------------------------------|
| (a) Contribution to Provident Fund | 13.46 | 11.44 |
| (b) Contribution to Employee Pension Scheme 1995 | 2.40 | 1.84 |

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



| (Rs. Lacs) | | |
|-----------------------------------------------------|------------------------------------|------------------------------------|
| ANNEXURE I | | |
| Funded Status of the Plan | 31 March, 2016 Rs. Lacs | 31 March, 2015 Rs. Lacs |
| Present value of unfunded obligations | - | - |
| Present value of funded obligations | 129.32 | 123.90 |
| Fair value of plan assets | 127.24 | 123.11 |
| Net Liability (Asset) | 2.08 | 0.79 |
| ANNEXURE II | | |
| Statement of Profit and Loss | | |
| Current Service Cost | 5.02 | 3.44 |
| Interest on Obligation | 9.12 | 9.59 |
| Expected Return on Plan Assets | (9.49) | (11.31) |
| Net Actuarial Loss/(Gain)* | (7.02) | 7.79 |
| Past Service Liab | - | - |
| Losses/(Gains) on Curtailments and Settlement | - | - |
| Total included in 'Employee Benefit Expense' | (2.38) | 9.51 |
| Expenses deducted from the fund | 0.13 | - |
| Total Charge to P&L | (2.25) | 9.51 |
| * Loss/(Gain) on Obligation as per Annexure III | 1.08 | (3.16) |
| Loss/(Gain) on Assets as per annexure IV | (8.10) | 10.95 |
| Net actuarial Loss/(Gain) | (7.02) | 7.79 |
| ANNEXURE III | | |
| Reconciliation of Defined Benefit Obligation | | |
| Opening Defined Benefit Obligation | 123.90 | 124.42 |
| Service cost | 5.02 | 3.44 |
| Interest cost | 9.12 | 9.59 |
| Actuarial losses (gains) | 1.08 | (3.16) |
| Past Service Liab | - | - |
| Losses (gains) on curtailments | - | - |
| Liabilities extinguished on settlements | - | - |
| Benefits Paid | (3.55) | (10.39) |
| Benefits Payable | (6.23) | - |
| Closing Defined Benefit Obligation | 129.34 | 123.90 |
| ANNEXURE IV | | |
| Reconciliation of Plan Assets | | |
| Opening Value of Plan Assets | 123.11 | 128.14 |
| Adjustment to the Opening fund | (118.59) | - |
| Adjustment in respect of Benefits payable | (138.94) | - |
| Transfer in/(out) plan assets | - | - |
| Expenses deducted from the fund | (0.13) | - |
| Expected return | 9.49 | 11.30 |
| Actuarial gains and (losses) | 8.10 | (10.95) |

| Funded Status of the Plan | 31 March, 2016 Rs. Lacs | 31 March, 2015 Rs. Lacs |
|-----------------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| Contributions by employer | 247.75 | 5.00 |
| Benefits paid | (3.55) | (10.39) |
| Closing Value of Plan Assets | 127.24 | 123.11 |
| <i>The actual return on the assets is Rs. 17.59 Lakhs</i> | | |
| ANNEXURE V | | |
| Reconciliation of Gratuity Provision Account | | |
| Net Opening Provision in Books of Accounts | 0.79 | (3.72) |
| Adjustment to the opening fund | 257.53 | - |
| Employee Benefit Expense as per Annexure II | (2.25) | 9.51 |
| | 256.07 | 5.79 |
| Benefits Paid by the Company | - | - |
| Amounts Transferred to 'Payable Account' | (6.23) | - |
| Contributions to Plan Assets | (247.75) | (5.00) |
| Closing Provision in Books of Accounts | 2.09 | 0.79 |
| ANNEXURE VI | | |
| Bifurcation of Liability as per Schedule VI | | |
| Current Liability* | 2.08 | 0.79 |
| Non-Current Liability | - | - |
| Net Liability | 2.08 | 0.79 |
| * The current liability is calculated as Expected Contributions for the next 12 months. | | |
| ANNEXURE VII | | |
| Table of Experience Adjustments | | |
| Defined Benefit Obligation | 129.32 | 123.90 |
| Plan Assets | 127.24 | 123.11 |
| Surplus/(Deficit) | (2.08) | (0.79) |
| Experience Adjustments on Plan Liabilities | (0.27) | (7.03) |
| Actuarial Loss/(Gain) due to change in assumptions | 0.80 | 3.86 |
| Experience Adjustments on Plan Assets | (8.10) | 10.95 |
| Net Actuarial Loss/ (Gain) for the year | (7.03) | 7.79 |
| ANNEXURE VIII | | |
| Composition of the Plan Assets | 31-Mar-2016 % | 31-Mar-2015 % |
| 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% |
| Special Deposit Scheme | 0% | 0% |
| Policy of insurance | 100% | 0% |
| Bank Balance | 0% | 100% |
| Other Investments | 0% | 0% |



| ANNEXURE IX | | |
|-----------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Principle Actuarial Assumptions | 31-Mar-2016 | 31-Mar-2015 |
| Discount Rate | 7.55% | 7.80% |
| Expected Return on Plan Assets | 7.55% | 8.00% |
| 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 |
| ANNEXURE X | | |
| Funded status considering the liability in respect of inactive | 31-Mar-2016 | |
| Total Obligation: | | |
| Actives | 1.29 | |
| In-actives (Left but Payment still pending) | 1.39 | |
| Total Assets in the Trust fund | 2.66 | |
| Funded Status considering Actives and Inactives | 2.08 | |

Company has shown the amounts payable to In-actives as Current Liability and may show an equal amount as an asset- 'Amount receivable from the trust against the unpaid benefits'.

11. Expenditure in foreign currency:-

| | Year Ended 31/03/2016 | Year Ended 31/03/2015 |
|-----------------------------------|----------------------------------|----------------------------------|
| Travelling Expenses (Rs. In Lacs) | 84.79 | 34.15 |

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

13. Note 1 to 23 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
CA. Prabhat Jain
Partner
M.No. 086756

Alok Modi
Managing Director

K.S. Bains
Neeraj Sharma
Piya Modi
Directors

S.K. Bajpai
Head – Legal &
Company Secretary

Kamal Gupta
Chief Financial Officer

Date : 27.05.2016
Place : New Delhi

INDEPENDENT AUDITORS' 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-27 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2016, 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, 2016, 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 two jointly controlled entities included in the consolidated financial statements, which constitute total assets of Rs. 26525.87 lacs and net assets of Rs. 23493.92 lacs as at March 31, 2016, total revenue of Rs. 15119.95 lacs, net profit of Rs. 2383.66 lacs and net cash outflows amounting to Rs. 263.29 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. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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, 2016, 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, 2016, 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, 2016;
 - 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, 2016.

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

Place : New Delhi
Date : 12.08.2016

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 2016

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 and its jointly controlled entities as at March 31, 2016 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, 2016, 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 2 subsidiary companies and 2 jointly controlled companies, incorporated in India, is based on the corresponding reports of the auditors of such companies.

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

Place : New Delhi
Date : 12.08.2016

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

BALANCE SHEET (CONSOLIDATED)

AS AT 31ST MARCH, 2016

| PARTICULARS | Note No. | As at | As at |
|-----------------------------------|--------------|-----------------|-----------------|
| | | 31.03.2016 | 31.03.2015 |
| | | Rs. Lacs | Rs. Lacs |
| I. EQUITY AND LIABILITIES | | | |
| 1. Shareholders' Funds | | | |
| (a) Share Capital | 1 | 2504.05 | 2504.05 |
| (b) Reserves and Surplus | 2 | 31358.12 | 30047.82 |
| | | 33862.17 | 32551.87 |
| 2 Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 3 | 39.97 | 77.72 |
| (b) Other Long Term Liabilities | 4 | 48.90 | 77.64 |
| (c) Long Term Provisions | 5 | 5.30 | 1.92 |
| | | 94.17 | 157.28 |
| 3 Current Liabilities | | | |
| (a) Short-Term Borrowings | 6 | 250.00 | 250.00 |
| (b) Trade Payables | 7 | 1208.75 | 1255.72 |
| (c) Other Current Liabilities | 8 | 3880.99 | 4062.97 |
| | | 5339.74 | 5568.69 |
| | TOTAL | 39296.08 | 38277.84 |
| II. ASSETS | | | |
| 1. Non-Current Assets | | | |
| (a) Fixed Assets | 9 | | |
| i) Tangible Assets | | 6216.24 | 5434.87 |
| ii) Intangible Assets | | 4.46 | 0.15 |
| iii) Capital Work -in- Progress | | 735.78 | 1103.39 |
| (b) Non-Current Investments | 10 | 9182.11 | 9254.09 |
| (c) Deferred Tax Assets (Net) | 11 | 1571.91 | 1041.29 |
| (d) Long-Term Loans and Advances | 12 | 810.36 | 830.61 |
| (e) Other Non Current Assets | 13 | 4478.15 | 4262.70 |
| | | 22999.01 | 21927.10 |
| 2 Current Assets | | | |
| (a) Current Investments | 14 | 9253.22 | 9321.06 |
| (b) Inventories | 15 | 1478.01 | 1575.65 |
| (c) Trade Receivables | 16 | 1187.93 | 1052.60 |
| (d) Cash and Bank Balances | 17 | 1224.13 | 1444.29 |
| (e) Short-Term Loans and Advances | 18 | 2984.87 | 2851.64 |
| (f) Other Current Assets | 19 | 168.91 | 105.50 |
| | | 16297.07 | 16350.74 |
| | TOTAL | 39296.08 | 38277.84 |

Significant Accounting Policies and Notes on Financial Statements 1-27

As per our Report Attached
For P D M and Company
(Firm Registration No. 07966N)
Chartered Accountants
CA. Prabhat Jain

Vinay Kumar Modi
Chairman
Sanjiwan Sahni
K.S. Bains
Directors

Alok Modi
Managing Director
S.K. Bajpai
Head – Legal &
Company Secretary

Date : 12.08.2016 Partner
Place : New Delhi M.No. 086756

Kamal Gupta
Chief Financial Officer



STATEMENT OF PROFIT AND LOSS ACCOUNT (CONSOLIDATED)

FOR THE YEAR ENDED 31ST MARCH, 2016

| PARTICULARS | Note No. | Year ended | Year ended |
|---------------------------------------------------------------------------------|----------|-----------------|-----------------|
| | | 31.03.2016 | 31.03.2015 |
| | | Rs. Lacs | Rs. Lacs |
| INCOME | | | |
| Revenue from Operations | 20 | 14930.64 | 14725.19 |
| Other Income | 21 | 1166.82 | 1260.34 |
| TOTAL | | 16097.46 | 15985.53 |
| EXPENSES | | | |
| Cost of Material Consumed | 22 | 4278.92 | 4388.49 |
| Purchase of Stock -in - trade | | 264.62 | 113.78 |
| Change in Inventories of Finished Goods, Work in Progress and Stock in Trade | 23 | 46.86 | (343.35) |
| Employee Benefits Expense | 24 | 1329.40 | 1217.95 |
| Finance Costs | 25 | 21.25 | 14.25 |
| Depreciation and Amortization Expense | 9 | 690.06 | 625.33 |
| Other Expenses | 26 | 7119.36 | 7240.17 |
| TOTAL | | 13750.47 | 13256.62 |
| PROFIT BEFORE TAX | | 2346.99 | 2728.91 |
| Less/(Add): Tax Expense | | | |
| Current Tax | 27 | 1274.52 | 1223.73 |
| Deferred Tax Liability/(Assets) | | (530.63) | (83.68) |
| PROFIT FOR THE YEAR | | 1603.10 | 1588.86 |
| Basic and Diluted Earning Per Equity Share (in Rupees) (Not Annualised) | | 6.40 | 6.35 |
| Significant Accounting Policies and Notes on Financial Statements | 1-27 | | |

As per our Report Attached
For P D M and Company
(Firm Registration No. 07966N)
Chartered Accountants
CA. Prabhat Jain

Vinay Kumar Modi
Chairman
Sanjiwan Sahni
K.S. Bains
Directors

Alok Modi
Managing Director
S.K. Bajpai
Head – Legal &
Company Secretary
Kamal Gupta
Chief Financial Officer

Date : 12.08.2016
Place : New Delhi

Partner
M.No. 086756

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

| | 31.03.2016 | | 31.03.2015 | | Rs.Lacs |
|------------------------------------------------------------------------------------|------------|-----------------|------------|-----------------|---------|
| | Rs.Lacs | Rs.Lacs | Rs.Lacs | Rs.Lacs | |
| A. Cash Flow from operating activities | | | | | |
| Net Profit before tax and extraordinary items | | 2,346.99 | | 2,728.91 | |
| Add: Adjustments for: | | | | | |
| Depreciation and Amortization | 690.06 | | 625.33 | | |
| Interest Paid | 21.25 | | 5.74 | | |
| Interest Income | (472.74) | | (473.31) | | |
| Net(Profit)/Loss on Assets sold/discarded | (23.86) | | (287.81) | | |
| Net(Profit)/Loss on Investments | (277.73) | | 371.47 | | |
| Opening Reserve impact of Depreciation | - | | (32.67) | | |
| Deferred Tax impact of Depreciation | - | | (17.29) | | |
| MAT utilisation | - | | (6.37) | | |
| Provision for Doubtful Debts | 59.47 | | 10.49 | | |
| Provision for Inventory Obsolescence | - | | 1.29 | | |
| Unrealised foreign exchange (gain)/loss | - | | (0.09) | | |
| Share of Loss in Associate | (29.99) | | - | | |
| Provision made for Diminution in value of Shares | 9.00 | | 7.24 | | |
| Balances /Provisions not required Written off/(back) (Net) | 4.65 | | (225.09) | | |
| Miscellaneous Income | - | | (0.06) | | |
| Dividend Received | (312.18) | (332.07) | (205.73) | (226.86) | |
| Operating profit/(Loss) before working capital changes | | 2,014.92 | | 2,502.05 | |
| Adjustments for: | | | | | |
| (Increase)/Decrease in Inventories | 97.64 | | (599.59) | | |
| (Increase)/Decrease in Current Assets | (1,665.96) | | 1,720.61 | | |
| Increase/(Decrease) in Current Liabilities and Provisions | 866.34 | | (2,562.64) | | |
| | | (701.98) | | (1,441.62) | |
| Cash generated from operations before tax | | 1,312.94 | | 1,060.43 | |
| Add : Taxes (paid)/refund | | (1,099.94) | | (1,188.63) | |
| Net cash generated from operating activities (A) | | 213.00 | | (128.20) | |
| B. Cash flow from investing activities: | | | | | |
| Interest Received | | 472.74 | | 207.69 | |
| Dividend Received | | 312.18 | | 205.72 | |
| Opening Balance adjustment for Dividend | | | | 667.00 | |
| (Increase)/Decrease in Fixed Deposit with Banks having maturity more than 3 months | | (408.16) | | 125.22 | |
| Additions to Fixed assets/WIP | | (1,479.04) | | (1,359.78) | |
| Proceeds from Sale of Fixed Assets | | 394.77 | | 340.23 | |
| Purchase of Investment | | (4,484.43) | | (34,314.03) | |
| Proceeds from Sale of Investments | | 4,892.98 | | 33,578.53 | |
| Net cash generated from investing activities (B) | | (298.96) | | (549.42) | |
| C. Cash Flow from financing activities: | | | | | |
| Increase/(Decrease) in Borrowings | | (37.75) | | 45.53 | |
| Increase/(Decrease) Other Non Current Assets/ Liabilities | | (5.11) | | (10.66) | |
| Dividend distribution tax paid | | (135.79) | | (226.71) | |
| Interest paid | | (21.25) | | (5.74) | |
| Net cash used in financing activities (C) | | (199.90) | | (197.58) | |
| Net increase/(decrease) in cash and cash equivalent(A+B+C) | | (285.86) | | (875.20) | |
| Cash and cash equivalents as at the beginning of the year | | 938.72 | | 335.05 | |
| Add: Adjustment of Opening balance² | | (127.03) | | 1,478.87 | |
| Cash and cash equivalents as at the end of the year | | 811.69 | | 1,813.92 | |
| | | 525.85 | | 938.72 | |

NOTES: 1. Cash and Cash equivalents includes.

| | | | | |
|-------------------------------------------|--|---------------|--|---------------|
| Cash on Hand | | 2.13 | | 4.60 |
| Balance with Banks in: | | | | |
| - Current Accounts | | 523.72 | | 416.83 |
| - Cheque in Hand | | - | | 0.50 |
| - Fixed Deposits maturing within 3 months | | - | | 516.79 |
| TOTAL | | 525.85 | | 938.72 |

2. Includes Dividend Distribution Tax of Rs. 127.02 lacs (Previous Year - Nil)

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

| | | | |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Date : 12.08.2016 | As per our Report Attached For P D M and Company (Firm Registration No. 07966N) Chartered Accountants CA. Prabhat Jain | Vinay Kumar Modi Chairman Sanjiwan Sahnii K.S. Bains Directors | Alok Modi Managing Director S.K. Bajpai Head – Legal & Company Secretary Kamal Gupta Chief Financial Officer |
| Place : New Delhi | Partner M.No. 086756 | | |



SHARE CAPITAL

Note-1

| PARTICULARS | As At | As At |
|------------------------------------------------------------------------------|-----------------|-----------------|
| | 31.03.2016 | 31.03.2015 |
| | 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 |
| | 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 |
| 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 |
| Reconciliation of the number of shares | | |
| Outstanding at the beginning of the year | 25040532 | 25040532 |
| Add: Issued during the year | - | - |
| Outstanding at the end of the year | 25040532 | 25040532 |

Terms/Rights attached to Shares

Equity Shares:

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 |
|-----------------------------------------------------------------------------------------------|-----------------|-----------------|
| | 31.03.2016 | 31.03.2015 |
| | 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 | 2132.43 | 903.16 |
| Add: Opening Balance Adjustment | - | 1229.27 |
| At the end of the year | 2132.43 | 2132.43 |
| d. Surplus/(Deficit) in Statement of Profit and Loss | | |
| At the commencement of the year | 22113.81 | 11193.33 |
| Add: Opening Balance Adjustments* | (127.02) | 9486.40 |
| Profit for the year | 1603.10 | 1588.86 |
| | 23589.89 | 22268.59 |
| Less: | | |
| Dividend Distribution Tax | 135.79 | 122.11 |
| Share of Loss in Associate | 29.99 | - |
| Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets | - | 32.67 |
| At the end of the year | 23424.11 | 22113.81 |
| TOTAL | 31358.12 | 30047.82 |

* Includes Dividend Distribution Tax of Rs. 127.02 lacs (Previous Year - Nil)

LONG-TERM BORROWINGS

Note-3

| PARTICULARS | As At | As At |
|--------------------------------------------|--------------|--------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Secured Term Loans from: | | |
| - Banks | - | 29.63 |
| - Other* | 52.87 | 67.10 |
| Less: Current Maturities of Long-Term Debt | (12.90) | (19.01) |
| TOTAL | 39.97 | 77.72 |

* Includes:-

- 1) Term Loans secured by hypothecation of a Vehicle, repayable in equated monthly instalment of Rs. 1,34,933/- each (including interest). Final instalment due in December 2019 .
- 2) Term Loan sanctioned for Rs. 4,12,850 (49% of Total loan value of Rs. 8,42,000) repayable in 36 equated monthly installments of Rs. 13,409/- (49% of Total monthly installment of Rs. 27,365/-) payable upto February 05, 2018.

OTHER LONG TERM LIABILITIES

Note-4

| PARTICULARS | As At | As At |
|-------------------|--------------|--------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Security Deposits | 35.03 | 44.33 |
| Duties and Taxes | 13.87 | 33.31 |
| TOTAL | 48.90 | 77.64 |

LONG TERM PROVISIONS

Note-5

| PARTICULARS | As At | As At |
|---------------------------------|-------------|-------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Provision for Employee Benefits | | |
| - Gratuity | 4.79 | 1.92 |
| - Leave Encashment | 0.51 | 0.00 |
| TOTAL | 5.30 | 1.92 |

SHORT-TERM BORROWINGS

Note-6

| PARTICULARS | As At | As At |
|--------------------------------------|---------------|---------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Other Loans and Advances (Unsecured) | | |
| - 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



TRADE PAYABLES

Note-7

| PARTICULARS | As At | As At |
|--------------------------------------|----------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Trade Payables | | |
| - Due to Micro and Small Enterprises | 2.75 | 1.62 |
| - Others* | 1206.00 | 1254.10 |
| TOTAL | 1208.75 | 1255.72 |

* 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 Carbons 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 |
|--------------------------------------|----------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Current Maturities of Long-Term Debt | 12.90 | 19.01 |
| Sundry Creditors | 339.02 | 570.38 |
| Advance from Customers | 60.03 | 63.58 |
| Expenses Payable | 452.29 | 164.07 |
| Duties and Taxes | 2453.91 | 2452.21 |
| Security Deposits | 185.94 | 176.22 |
| Excise Duty on Finished Goods | 67.31 | 61.75 |
| Gratuity Payable | 26.33 | 264.14 |
| Unpaid Dividend Account | 0.01 | 0.01 |
| Compensation Payable to Employees | 283.25 | 291.60 |
| TOTAL | 3880.99 | 4062.97 |

FIXED ASSETS

Note-9

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | | NET BLOCK | |
|--------------------------------------------------------------------|-------------------|-------------------------------------------------------------------|----------------|--------------------------------------|---------------------|--------------------|-------------------------------------------------------------------|-----------------|--------------------------------------|--------------------|---------------------|---------------------|
| | As At 1.4.2015 | Adjust- ment for Op. Bal. of Joint Venture Company | Additions | Adjust- ments/ Deduc- tions | As At 31.03.2016 | Upto 31.03.2015 | Adjust- ment for Op. Bal. of Joint Venture Company | For the Year | Adjust- ments/ Deduc- tions | Upto 31.03.2016 | As At 31.03.2016 | As At 31.03.2015 |
| | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs | Rs.lacs |
| Tangible Assets | | | | | | | | | | | | |
| Land - Free Hold | 287.26 | 0.00 | 0.00 | 0.00 | 287.26 | 1.30 | 0.00 | 1.01 | 0.00 | 2.31 | 284.95 | 285.96 |
| Land - Lease Hold | 656.31 | 0.00 | 0.00 | 0.00 | 656.31 | 14.03 | 0.00 | 5.34 | 0.00 | 19.37 | 636.94 | 642.28 |
| Buildings | 4340.28 | 0.00 | 525.26 | 0.00 | 4865.54 | 3184.29 | 0.00 | 111.98 | 0.00 | 3296.27 | 1569.27 | 1155.99 |
| Plant & Machinery | 14418.61 | 0.00 | 698.47 | 0.00 | 15117.08 | 11366.90 | 0.00 | 423.71 | 0.00 | 11790.61 | 3326.47 | 3051.71 |
| Furniture, Office Equipments & Electrical Installations etc. | 1315.06 | 0.00 | 184.41 | 2.22 | 1497.25 | 1149.34 | 0.00 | 91.88 | 1.02 | 1240.20 | 257.05 | 165.72 |
| Vehicles | 235.61 | 0.00 | 62.56 | 13.36 | 284.81 | 102.40 | 0.00 | 52.11 | 11.26 | 143.25 | 141.56 | 133.21 |
| TOTAL (A) | 21253.13 | 0.00 | 1470.70 | 15.58 | 22708.25 | 15818.26 | 0.00 | 686.03 | 12.28 | 16492.01 | 6216.24 | 5434.87 |
| Previous year | 7595.86 | 13403.80 | 289.87 | 36.40 | 21253.13 | 6061.95 | 9131.97 | 608.37 | -15.97 | 15818.26 | 5434.87 | 1533.91 |
| Intangible Assets | | | | | | | | | | | | |
| Software | 0.49 | 0.00 | 8.34 | 0.00 | 8.83 | 0.34 | 0.00 | 4.03 | 0.00 | 4.37 | 4.46 | 0.15 |
| TOTAL (B) | 0.49 | 0.00 | 8.34 | 0.00 | 8.83 | 0.34 | 0.00 | 4.03 | 0.00 | 4.37 | 4.46 | 0.15 |
| Previous year | 0.53 | 0.00 | 0.04 | 0.08 | 0.49 | 0.06 | 0.00 | 0.28 | 0.00 | 0.34 | 0.15 | 0.47 |
| GRAND TOTAL (A+B) | 21253.62 | 0.00 | 1479.04 | 15.58 | 22717.08 | 15818.60 | 0.00 | 690.06 | 12.28 | 16496.38 | 6220.70 | 5435.02 |
| Previous year | 7596.39 | 13403.80 | 289.91 | 36.48 | 21253.62 | 6062.01 | 9131.97 | 608.65 | -15.97 | 15818.60 | 5435.02 | 1534.38 |

NOTES:

1. Building Includes :-

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|
| - On leasehold basis | Rs.lacs | 739.34 |
| - 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-10

| PARTICULARS | As At 31.03.2016 Rs. Lacs | As At 31.03.2015 Rs. Lacs |
|------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Investment In Equity Instruments | | |
| - Associate | 29.99 | 29.99 |
| Less: Value of Investment in Associate | 29.99 | - |
| | - | 29.99 |
| - Others | 3356.67 | 3565.67 |
| | 3356.67 | 3595.66 |
| Investment In Government or Trust Securities | 26.00 | 26.00 |
| Investment In Mutual Funds | 5492.65 | 5325.64 |
| Investment in Debentures/ Bonds | 306.79 | 306.79 |
| TOTAL | 9182.11 | 9254.09 |
| Aggregate Value of Quoted Investments | 394.65 | 394.65 |
| Aggregate Market Value of Quoted Investments | 2386.10 | 2164.64 |
| Aggregate Gross Value of Unquoted Investments | 11066.20 | 11129.18 |
| Aggregate Value of Provision for Dimunition in Value of Unquoted Investments | 2278.74 | 2269.74 |
| Aggregate Net Value of Unquoted Investments | 8787.46 | 8859.44 |



DEFERRED TAX ASSETS (Net)

Note-11

| PARTICULARS | As At | As At |
|---------------------------------------------------------|----------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Deferred Tax Asset/(Liabilities) | | |
| Carried Forward Business Losses/Unabsorbed Depreciation | 1851.65 | 1228.76 |
| Taxes and Duties | 624.78 | 660.36 |
| Others | 35.37 | 181.32 |
| Depreciation and Amortisation of Fixed Assets | (939.89) | (1029.15) |
| TOTAL | 1571.91 | 1041.29 |

LONG-TERM LOANS AND ADVANCES

Note-12

| PARTICULARS | As At | As At |
|---------------------------------------------------------|---------------|---------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| (unsecured, considered good unless otherwise specified) | | |
| Capital Advances | 84.08 | 90.41 |
| Security Deposits | 96.84 | 93.24 |
| Less: Provision for Doubtful Deposits | (6.97) | (6.97) |
| Income-Tax /Fringe Benefits Tax (net of provisions) | 162.97 | 181.57 |
| Other Loans and Advances | 41.52 | 40.44 |
| Less: Provision for Doubtful Advances | (10.00) | (10.00) |
| MAT Credit Entitlement | 441.92 | 441.92 |
| TOTAL | 810.36 | 830.61 |

OTHER NON CURRENT ASSETS

Note-13

| PARTICULARS | As At | As At |
|-----------------------------------------------------------------------------------------|----------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Long Term Trade Receivables | | |
| - Secured considered good | 2.36 | 0.96 |
| - Unsecured considered doubtful | 84.60 | 61.58 |
| Less: Provision for Doubtful receivables | (84.60) | (61.58) |
| Balances with Banks | | |
| - in Fixed Deposits with maturity more than 12 months * (including interest accrued) | 4475.79 | 4261.74 |
| TOTAL | 4478.15 | 4262.70 |
| * Includes:- | | |
| In Escrow Accounts | 2535.12 | 2352.58 |
| Against Guarantee | 1423.00 | 1423.31 |
| As Margin Money | 517.67 | 485.85 |

CURRENT INVESTMENTS

Note-14

| PARTICULARS | As At | As At |
|----------------------------------------------|--------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Investment in Mutual Funds | 9253.22 | 9321.06 |
| | TOTAL | 9321.06 |
| Aggregate Value of Quoted Investments | 3965.46 | 4632.12 |
| Aggregate Market Value of Quoted Investments | 4594.65 | 4994.58 |
| Aggregate Value of UnQuoted Investments | 5287.76 | 4688.94 |

INVENTORIES

Note-15

| PARTICULARS | As At | As At |
|----------------------------------------------------|--------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| (As taken, valued and certified by the management) | | |
| Raw Materials* | 614.82 | 672.09 |
| Work -in- Progress | 51.45 | 49.38 |
| Finished Goods** | 473.69 | 509.49 |
| Traded Goods | 61.06 | 74.19 |
| Stores,Spare Parts and Loose Tools | 224.72 | 222.64 |
| Packing Materials | 52.27 | 47.86 |
| | TOTAL | 1575.65 |

* Includes inventory in transit of Rs. Nil (49% of Rs. Nil) (Previous Year - Rs. 0.22 lacs)

** Inclusive of Excise Duty

TRADE RECEIVABLES

Note-16

| PARTICULARS | As At | As At |
|-------------------------------------------------------------------------|--------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| (secured,considered good) | | |
| Debts outstanding for a | | |
| - period exceeding six months from the date they became due for payment | - | 0.32 |
| - others | 48.39 | 44.63 |
| (unsecured,considered good unless otherwise specified) | | |
| Debts outstanding for a | | |
| - period exceeding six months from the date they became due for payment | 158.17 | 75.35 |
| - others* | 981.36 | 932.30 |
| (unsecured,considered doubtful) | | |
| - period exceeding six months from the date they became due for payment | 48.66 | 1.33 |
| - others | 11.99 | 22.86 |
| Less: Provision for Doubtful Receivables | (60.64) | (24.19) |
| | TOTAL | 1052.60 |
| *Due from Companies under the same management | | |
| - Maple Bear Education Pvt. Ltd. | 4.82 | 13.41 |
| - Uniglobe Mod Travels Pvt. Ltd. | - | 24.67 |
| - Uniglobe Travel (South Asia) Pvt. Ltd. | 118.41 | 68.23 |



CASH AND BANK BALANCES

Note-17

| PARTICULARS | As At | As At |
|-------------------------------------------------|----------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Cash and Cash Equivalents | | |
| Balances with Banks | | |
| In Current Accounts | 523.72 | 416.83 |
| in Fixed Deposits with maturity within 3 months | - | 516.79 |
| Cheque in hand | - | 0.50 |
| Cash on hand | 2.13 | 4.60 |
| SUB TOTAL (A) | 525.85 | 938.72 |
| Other Bank Balances | | |
| Balances with Banks | | |
| in Fixed Deposits | 698.27 | 505.56 |
| (including interest accrued but not due)* | | |
| Unpaid Dividend Accounts | 0.01 | 0.01 |
| SUB TOTAL (B) | 698.28 | 505.57 |
| TOTAL (A+B) | 1224.13 | 1444.29 |
| * Includes:- | | |
| As Margin Money | 1.06 | 1.06 |

SHORT-TERM LOANS AND ADVANCES

Note-18

| PARTICULARS | As At | As At |
|---------------------------------------------------------|----------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| (unsecured, considered good unless otherwise specified) | | |
| Loans and Advances to Related Parties * | 1449.52 | 1264.49 |
| Security Deposits | 2.03 | 4.47 |
| Duties and Taxes Paid Under Protest/Recoverable | 142.49 | 204.70 |
| Income-Tax /Wealth Tax (net of provisions) | 589.53 | 367.55 |
| Advances to Suppliers | 203.78 | 298.37 |
| Other Claims Recoverable | 580.36 | 329.25 |
| Staff Advances | 22.96 | 17.81 |
| Less: Provision for doubtful advances | (7.46) | (7.46) |
| MAT Credit Entitlement | 1.66 | 372.46 |
| TOTAL | 2984.87 | 2851.64 |
| *Includes:- | | |
| 1) Associate | | |
| - Vinura Beverages Pvt. Ltd. | 226.02 | 239.49 |
| 2) Due from Companies under the same management | | |
| - Uniglobe Mod Travels Pvt. Ltd. | 1123.50 | 925.00 |
| - Uniglobe Travel (South Asia) Pvt. Ltd. | 100.00 | 100.00 |

OTHER CURRENT ASSETS

Note-19

| PARTICULARS | As At | As At |
|------------------------------|---------------|---------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Interest accrued but not due | 168.91 | 105.50 |
| TOTAL | 168.91 | 105.50 |

REVENUE FROM OPERATIONS NOTE - 20

| PARTICULARS | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|-------------------------|--------------------------|--------------------------|
| | Rs. Lacs | Rs. Lacs |
| Sale of Product | 15802.10 | 15634.75 |
| Less: Excise Duty | 1520.43 | 1519.56 |
| | <u>14,281.67</u> | <u>14115.19</u> |
| Other Operating Revenue | | |
| - Others | 648.97 | 610.00 |
| TOTAL | <u>14930.64</u> | <u>14725.19</u> |

OTHER INCOME NOTE - 21

| PARTICULARS | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|----------------------------------------------------------------------|--------------------------|--------------------------|
| | Rs. Lacs | Rs. Lacs |
| Interest Income | 472.74 | 487.64 |
| Dividend Income | 312.18 | 205.73 |
| Gain/(Loss) on Sale of Investments (Net) | 277.73 | - |
| Profit on Sale of Fixed Assets (Net) | 26.14 | 287.81 |
| Excess Liabilities/Provisions/Sundry Balances Written Back/Off (Net) | 4.65 | 226.27 |
| Miscellaneous Income | 73.38 | 52.89 |
| TOTAL | <u>1166.82</u> | <u>1260.34</u> |

COST OF MATERIAL CONSUMED NOTE - 22

| PARTICULARS | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|---------------------------------|--------------------------|--------------------------|
| | Rs. Lacs | Rs. Lacs |
| Raw Materials Consumed/Sold | | |
| Opening Stock | 672.09 | 9.86 |
| Add: Opening Balance Adjustment | - | 350.39 |
| Purchases and Direct Expenses | 3474.51 | 3858.06 |
| | <u>4146.60</u> | <u>4218.31</u> |
| Less : Closing Stock | 614.82 | 672.09 |
| SUB - TOTAL (A) | <u>3531.78</u> | <u>3546.22</u> |
| Packing Materials Consumed | | |
| Opening Stock | 47.86 | - |
| Add: Opening Balance Adjustment | - | 63.79 |
| Purchases and Direct Expenses | 751.55 | 826.34 |
| | <u>799.41</u> | <u>890.13</u> |
| Less : Closing Stock | 52.27 | 47.86 |
| SUB - TOTAL (B) | <u>747.14</u> | <u>842.27</u> |
| TOTAL (A+B) | <u>4278.92</u> | <u>4388.49</u> |



CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

NOTE - 23

| PARTICULARS | Year Ended | Year Ended |
|------------------------------------------------------------------------------|---------------|-----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Decrease/(Increase) in Finished Goods, Work -in- progress and Stock in trade | | |
| Opening Stock | | |
| Finished Goods | 509.49 | 1.82 |
| Work - in - progress | 49.38 | 0.00 |
| Stock in trade | 74.19 | 0.00 |
| SUB - TOTAL (A) | 633.06 | 1.82 |
| Opening Balance Adjustment | | |
| Finished Goods | - | 241.54 |
| Work - in - progress | - | 43.76 |
| Stock in trade | - | 2.59 |
| SUB - TOTAL (B) | - | 287.89 |
| Closing Stock | | |
| Finished Goods | 473.69 | 509.49 |
| Work - in - progress | 51.45 | 49.38 |
| Stock in trade | 61.06 | 74.19 |
| SUB - TOTAL (C) | 586.20 | 633.06 |
| TOTAL (A+B-C) | 46.86 | (343.35) |

EMPLOYEE BENEFITS EXPENSE

NOTE - 24

| PARTICULARS | Year Ended | Year Ended |
|--------------------------------------------|----------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Salaries, Wages, Incentives and Allowances | 1087.14 | 993.17 |
| Contributions to Provident and Other Funds | 118.22 | 109.69 |
| Staff Welfare Expense | 124.04 | 115.09 |
| TOTAL | 1329.40 | 1217.95 |

FINANCE COSTS

NOTE - 25

| PARTICULARS | Year Ended | Year Ended |
|------------------------|--------------|--------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Interest on Borrowings | 21.25 | 14.25 |
| TOTAL | 21.25 | 14.25 |

OTHER EXPENSES

NOTE - 26

| PARTICULARS | Year Ended | Year Ended |
|--------------------------------------------------|----------------|----------------|
| | 31.03.2016 | 31.03.2015 |
| | Rs. Lacs | Rs. Lacs |
| Stores, Spares and Tin Consumed | 389.07 | 350.44 |
| Power & Fuel* | 2365.12 | 2231.02 |
| Plant Utilities | 184.40 | 184.59 |
| Rent | 89.17 | 84.05 |
| Repair & Maintenance - Plant & Machinery | 103.20 | 97.10 |
| Repair & Maintenance - Buildings | 341.17 | 433.17 |
| Repairs & Maintenance - Other | 74.95 | 53.60 |
| Factory Expenses | 3.66 | - |
| Insurance | 54.65 | 41.54 |
| Rates & Taxes | 112.35 | 126.65 |
| Auditors' Remuneration: | | |
| Audit Fee | 13.61 | 12.94 |
| For Certificates etc. | 2.04 | 1.68 |
| For Expenses | 0.50 | 0.58 |
| Legal & Professional Charges | 477.03 | 371.30 |
| Travelling & Conveyance | 307.38 | 281.56 |
| Electricity & Water | 85.27 | 96.18 |
| Vehicle Expenses | 21.60 | 22.18 |
| Communication Expenses | 36.18 | 32.31 |
| Loss on Assets Sold/Discarded/Written off (Net) | 2.28 | - |
| Loss on sale of Investments (Net) | - | 371.47 |
| Sales Tax Paid/Provided | - | 0.59 |
| Charges General | 150.05 | 146.30 |
| Sub - Contracting charges | 15.21 | - |
| Business Promotion Expenses | 39.31 | 17.03 |
| Advertisement and Sales Promotion | 44.74 | 130.80 |
| Escrow Account Claims (Net) | - | 17.14 |
| Excise Duty Paid** | 7.23 | 25.55 |
| Freight outward | 1550.62 | 1502.25 |
| Cash Discount to Customers | 320.53 | 346.22 |
| Provision for Doubtful Debts | 59.47 | 10.49 |
| Provision for Diminution in value of Investments | 9.00 | 7.24 |
| Miscellaneous Expenses | 259.57 | 244.20 |
| TOTAL | 7119.36 | 7240.17 |

* Net of Wind Power wheeling credit of Rs. 563.69 lacs (21.242% of Rs. 2653.68 lacs (Previous Year: Rs. 470.74 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 31/03/2016

Note -27

A. BASIS OF PREPARATION

- 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

- 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.
 - 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.
 - 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.
 - 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.
- The Consolidated Financial Statements comprise the financial statements of Modi Rubber Limited, its subsidiaries and its Joint Venture and Associate Companies as on 31.03.2016 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 2016 | 100% | India |
| ii) Superior Investment (India) Ltd. | 31 st March 2016 | 100% | India |
| iii) Asahi Modi Material Pvt. Ltd. | 31 st March 2016 | 49% | India |
| iv) Gujarat Guardian Ltd. (GGL) | 31 st March 2016 | 21.242% | India |
| v) Vinura Beverages Private Ltd. [49.98% held by Spin Investment (India) Ltd.] | 31 st March 2016 | 49.98% | India |

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

C. SIGNIFICANT ACCOUNTING POLICIES

- All significant accounting policies set out under Note-23 "Significant Accounting Policies and Notes to Accounts" 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.:-

- Inventory**
Valuation of Work in Progress is done at cost.
- 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.
- Fixed Assets**
Leasehold Improvements are amortized over the period of lease or estimated period of useful life of such improvement, whichever is lower.
- Employee Benefit Expenses**
Gratuity and leave encashment liability has been provided for on actual calculation basis.
- Preoperative Expenses**
Expenditure incurred during the construction period, which can be related directly to specific assets or is directly attributed to the construction activities is capitalized as cost of specific assets. Expenditure which is indirectly related or incidental to

construction has been capitalized as preoperative expense, which is allocated to the fixed assets on the reasonable basis. All other expenditure which can neither be related directly to the assets nor attributable to construction activities is charged off to the Statement of profit and loss.

f. 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.

g. Borrowing Cost

Borrowing costs to the extent related/attributable 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 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.

b. Leasehold Land is amortized over the period of lease term of 99 years.

c. 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.

d. 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.

D. CONTINGENT LIABILITIES

1. All Contingent Liabilities set out under Note-23 "Significant Accounting Policies and Notes to Accounts" 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. 17.76 Lacs (49% of Rs. 36.27 Lacs)

b. In case of Joint Venture Company namely "Gujarat Guardian Limited (GGL)" details are given below:- (Rs. Lacs)

| | PARTICULARS | 31-03-2016 | 31-03-2015 |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| (i) | Claims against the Company not acknowledged as debts: | | |
| | Claims made by workmen | 8.23 | 7.74 |
| | Disputed Income Tax Matters | 592.07 | 353.98 |
| | Disputed Octroi Matter | 36.80 | 36.80 |
| | Disputed Excise Matters | 197.75 | 326.93 |
| | Disputed claim lodged by farmer in nighbourhood for water spillage | Nil | 1.04 |
| | Demand raised by GIDC towards Infrastructure fund | 34.89 | 23.80 |
| | Pending Labour case before High Court | Not ascertainable | Not ascertainable |
| (ii) | Other Contingent Liabilities: | | |
| | First Loss Deficiency Guarantee given to banks under Channel Financing | 491.76 | 458.52 |
| | Guarantees issued by bank on behalf of the Company | 485.38 | 325.68 |
| | The Company manufacturers Float Glass Mirrors. Glaverbel AG, now known as AGC Float Glass Europe S.A. has filed a suit against the Company before Delhi High Court claiming a patent on the process of manufacturer of non-corrosive mirrors. The Company has filed a Counter Claim seeking revocation of the patent of the plaintiff. The interim injunction sought by AGC against the Company was denied by Hon'ble High Court. The issues were framed by High Court and evidence of both parties has been filed. At present trial has been concluded and the matter is now awaiting listing for final arguments. The company has responded well to the litigation and in the opinion of the Company's lawyers, it has good defense. | 4.25 | 4.25 |
| | Total | 1851.12 | 1538.74 |
| | 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. | | |
| | Capital Commitments | | |
| | Estimated value of contracts in capital account remaining to be executed & not provided for Tangible Assets | 64.03 | 198.82 |



E. NOTES

1. All notes has been set out under Note-23 "Significant Accounting Policies and Notes to Accounts" 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 31/03/2016 | Year Ended 31/03/2015 |
|---------------------------------------------------------------|--------------------------|--------------------------|
| Profit after Tax (Rs. Lacs) | 1603.10 | 1588.86 |
| Basic number of equity shares | 25040532 | 25040532 |
| Basic and diluted earning per share (Rs.) (Not Annualised) | 6.40 | 6.35 |

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 Gujarat Guardian Industries Corp. Ltd. Thailand
- 6 Guardian Industries Corp., USA
- 7 Guardian Europe SARL
- 8 Guardian Llodio UNO, S.L.U
- 9 Guardian Zoujaj International Float Glass Co Lic
- 10 Asahi Organic Chemicals Industries Co. Ltd., Japan
- 11 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:

| | Year Ended 31/03/2016 | Year Ended 31/03/2015 | (Rs. Lacs) |
|-------------------------------------------------------|--------------------------|--------------------------|------------|
| A) Key Management Personnel | | | |
| i) Remuneration Paid | 117.34 | 57.63 | |
| B) Others: | | | |
| i) Income Received | 241.94 | 211.48 | |
| ii) Transfer of Assets/Liabilities (Net) | 593.89 | 371.89 | |
| iii) Expenses incurred on behalf of the company (Net) | 385.84 | 162.22 | |
| iv) Payable/(Receivable) at the year end | (1,287.84) | (1239.71) | |

d. In case of one of the subsidiary Company, during the year MAT credit entitlement Rs. 19.83 lacs was utilized and balance Rs. 350.97 lacs written off which pertains to Assessment Year 2009-10.

e. In case of one of the Joint Venture Company disclosure related to Leases is given below:-

(Rs. Lacs)

| Particulars | 31/03/2016 | 31/03/2015 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| 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 | 9.22 | 8.91 |
| Total | 9.22 | 8.91 |

- f. In case of one of the Joint Venture Company, Unhedged foreign currency exposure are as follows:-

| PARTICULARS | 31-03-2016 | | 31-03-2015 | |
|------------------------------|---------------------------------|--------------------------|---------------------------------|--------------------------|
| | 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 | 6012.55 | 3.76 |
| Trade Payables | | | | |
| - In USD | 10838.07 | 7.36 | 104445.64 | 65.37 |
| - In Euro | 2163.35 | 1.59 | 7464.44 | 5.04 |
| - In GBP | 351.98 | 0.35 | Nil | Nil |

- g. 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.
- h. 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.
- i. In case of one of the Joint Venture Company, The payment of Gratuity Act, 1972 is applicable on the said company from F.Y. 2013-14 and the company has provided for gratuity expense of Rs. 0.68 Lacs (49% of Rs. 1.40 Lacs) (Previous Year Rs 1.13 Lacs) during the year based on actual calculations.
- j. 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.
- k. Previous year figures have been regrouped/rearranged wherever necessary.
- l. Note 1 to 27 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 | | Share in | |
|--------------------------------------|-----------------------------------------------|-------------------|--------------------------------------------|-------------------|
| | minus total liabilities (As At 31.03.2016) | | Profit or Loss* (Year Ended 31.03.2016) | |
| | As % of consolidated net assets | Amount (Rs. Lacs) | As % of Consolidated Profit or loss | Amount (Rs. Lacs) |
| Parent | | | | |
| Modi Rubber Limited | 37.99% | 12864.27 | -50.65% | (811.90) |
| Subsidiaries (Indian) | | | | |
| Spin Investment (India) Limited | 19.27% | 6525.25 | 9.41% | 150.87 |
| Superior Investment (India) Limited | 1.23% | 416.41 | -0.03% | (0.44) |
| Joint Ventures (Indian) | | | | |
| Asahi Modi Materials Private Limited | -0.41% | (140.21) | -9.23% | (148.01) |
| Gujarat Guardian Limited (GGL) | 41.92% | 14196.45 | 150.50% | 2412.58 |

* 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 | 6525.25 | 416.41 |
| 7 | Total assets | 6557.93 | 446.56 |
| 8 | Total Liabilities | 2.76 | 0.23 |
| 9 | Investments | 4083.49 | 432.18 |
| 10 | Turnover | 276.90 | 6.90 |
| 11 | Profit/(loss) before taxation | 249.14 | (3.39) |
| 12 | Provision for taxation | 98.27 | (2.95) |
| 13 | Profit/(Loss) after taxation | 150.87 | (0.44) |
| 14 | Proposed Dividend | Nil | Nil |
| 15 | % of shareholding | 100% | 100% |

*Consolidated amounts including associate company.

(Rs. Lacs)

| PART "B": ASSOCIATE COMPANIES AND JOINT VENTURES | | | |
|---------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------|--------------------------------|
| S.No. | PARTICULARS | | |
| 1 | Name of Associates/Joint Ventures | Asahi Modi Material Pvt. Ltd. | Gujarat Guardian Ltd. |
| 2 | Latest audited Balance Sheet Date | 31/03/2016 | 31/03/2016 |
| 3 | Shares of Associate/Joint Ventures held by the company on the year end | | |
| (i) | No. of Shares (in numbers) | 1,47,00,000 | 3,33,50,000 |
| (ii) | Amount of Investment in Associates/Joint Venture | 1,470 | 3,335 |
| (iii) | Extent of Holding % | 49.00% | 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 | (140.21) | 14196.45 |
| 7 | Profit / Loss for the year | | |
| (i) | Considered in Consolidation | (148.01) | 2412.58 |
| (ii) | Not Considered in Consolidation | (264.21) | 9051.58 |

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

Vinay Kumar Modi
Chairman
Sanjiwan Sahnii
K.S. Bains
Directors

Alok Modi
Managing Director
S.K. Bajpai
Head – Legal &
Company Secretary

Date : 12.08.2016
Place : New Delhi

Partner
M.No. 086756

Kamal Gupta
Chief Financial Officer

Modi Rubber Limited

(CIN: L25199UP1971PLC003392)

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

Corporate 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

- Name.....Address.....
E-mail -idSignature.....or failing him
- Name.....Address.....
E-mail -idSignature.....or failing him
- Name.....Address.....
E-mail -idSignature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 43rdAnnual General Meeting of the Company, to be held on Thursday, September 29, 2016 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, 2016, 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, 2016. |
| 2. | To appoint a Director in place of Mr. Vinay Kumar Modi, who retires by rotation at this Annual General Meeting and, being eligible, has offered himself for re-appointment. |
| 3. | To ratify the appointment of the Auditors and fix their remuneration. |
| Special Business | |
| 4. | To appoint Mr. Alok Kumar Modi (DIN ____) as an Managing Director |

Signed this..... day of 2016.

Signature of the Member.....

Signature of the Proxy holder(s).....

Affix
Revenue
Stamp of
Re. 1/-

Notes:

- 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.**
- 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.
- 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.
- 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