


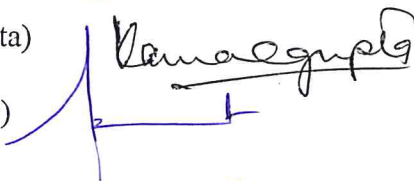



MODI RUBBER LIMITED

4-7C, DDA SHOPPING CENTRE, NEW FRIENDS COLONY, NEW DELHI - 110025 (INDIA)
Phone : + 91 - 11 - 26848416, 26848417 Fax : + 91 - 11 - 26837530, 26837855
Website : www.modirubberlimited.com CIN : L25199UP1971PLC003392

FORM A

Format of covering Letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company	Modi Rubber Limited
2.	Annual Financial Statements for the year ended	31 st March 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	N.A.
5.	To be signed by- <ul style="list-style-type: none">• CEO/Managing Director (Mr. Alok Kumar Modi) • CFO/Head- Finance & Accounts (Mr. Kamal Gupta) • Auditor of the Company (M/s PDM and Company)• Audit Committee Chairman (Mr. K.S. Bains) 	



Modi Rubber Limited

41ST ANNUAL REPORT 2013-2014

THE COMPANY

BOARD OF DIRECTORS

Vinay Kumar Modi
Chairman

Alok Kumar Modi
Managing Director

Kawaljit Singh Bains
Director

Sanjiwan Sahni
Director

Neeraj Sharma
Director

Piya Modi
Director

Sanjeev Kumar Bajpai
Head – Legal & Company Secretary

REGISTERED OFFICE

Modinagar-201 204
District Ghaziabad (Uttar Pradesh)
CIN: L25199UP1971PLC003392
website : www.modirubberlimited.com
Phone : +91-11-26848416, 26848417
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

41st Annual General Meeting		Contents	Page No.
Date	: September 30, 2014	Notice	2
Day	: Tuesday	Directors' Report.....	7
Time	: 11.30 A.M	Management Discussion and Analysis Report.....	9
Place	: Auditorium, Dayawati Modi Public School Modinagar	Report on Corporate Governance	10
Book Closure Dates	: 22nd September, 2014 to 30th September, 2014 (both days inclusive)	Auditors' Report.....	15
		Balance Sheet	18
		Profit & Loss Account.....	19
		Schedules.....	21
		Statement under Section 212 of the Companies Act, 1956.....	34
		Consolidated Financial Statements	35

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 : +91-11-26848416
CIN: L25199UP1971PLC003392

NOTICE

Notice is hereby given that the 41st Annual General Meeting of Modi Rubber Limited shall be held on Tuesday, 30th September 2014 at 11.30 A.M. at Auditorium, Dayawati Modi Public School, Modinagar to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and Profit & Loss Account for the year ended on that date together with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjiwan Sahni (DIN 01050255) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration by passing the following resolution as an Ordinary Resolution with or without modification(s):-

“**RESOLVED THAT** pursuant to the provisions of section 139 of the Companies Act, 2013 and the rules made thereunder, M/s PDM and Company, Chartered Accountants (Firm Registration No 007966N), New Delhi, the retiring auditors, be and are hereby re-appointed as auditors of the Company to hold office for a period of 3 (three) years for auditing the accounts of the Company from the financial years 2014-15 to 2016-17 (subject to the ratification of the appointment by the members at every annual general meeting to be held during the period) at a remuneration to be fixed by the Board of Directors/Committee of the Board”.

SPECIAL BUSINESS

4. To appoint Mr. Kawaljit Singh Bains (DIN-01444259) , as an Independent Director and, to consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-
“**RESOLVED THAT** pursuant to section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV of the Companies Act, 2013, Mr. Kawaljit Singh Bains (DIN-01444259), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto September, 29th, 2019.
5. To appoint Mr. Neeraj Sharma (DIN-03077684), as an Independent Director and to consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-

“**RESOLVED THAT** pursuant to section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s)

or re-enactment thereof for the time being in force) read with schedule IV of the Companies Act, 2013, Mr. Neeraj Sharma (DIN-03077684), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto September, 29th, 2019.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-

“**RESOLVED THAT** Ms Piya Modi (DIN- 03623417) who was appointed as an additional Director of the Company by the Board of Directors w.e.f. 08.08.2014, in terms of section 161(1) of Companies Act 2013 and whose term of office expires at the Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to retire by rotation.”

7. 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 196, 197, 203 read with schedule- V of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & modification or re-enactment thereof for the time being in force) the Company hereby approves and accords its consent for the appointment of Ms. Piya Modi (DIN 03623417) as Whole Time Director designated as Executive Director /Chief Executive Officer of the Company for a period of 3 years with effect from October 01st 2014 on such terms and conditions and payment of remuneration and other perquisites/benefits as are set out in the Explanatory Statement annexed to this notice with an authority to the Board of Directors of the Company to vary and alter such terms and conditions including remuneration in accordance with Schedule-V of the Companies Act, 2013 or any amendment or re-enactment thereof and/or any rules/regulations framed there under but not exceeding the limits specified under section-II of Part-II of Schedule- V of the Companies Act, 2013 by making such compliance as provided in the said schedule due to inadequacy of profits in the financial year.

“**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and exercise all such powers as may be required for giving effect to the aforesaid resolution.

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

Place: New Delhi
Date: August 08, 2014

(S.K. Bajpai)
Head-Legal & Company Secretary.



NOTES:

1. Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting is annexed hereto.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 22.09.2014 to 30.09.2014 (both days inclusive).
3. **A MEMBER, ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HER SELF AND THE PROXY(IES) NEED NOT BE THE MEMBER(S) OF THE COMPANY.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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.

4. Members desirous of obtaining any information concerning the Accounts of the Company are requested to send their request at the Head Office of the Company 4/7C DDA Shopping Centre New Friends Colony, New Delhi-110 025 atleast seven days before the date of the Meeting, so that the information required may be made available at the Meeting.
5. 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.
6. 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.
7. 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 the Company to provide efficient and better service to the members.
8. Members holding shares in physical form are requested to intimate changes with respect the change of address, e-mail address, change in name etc, immediately to the Company/RTA.
9. Voting through electronic means:
In compliance with section 108 of the Companies Act, 2013 and rule 20 of the Companies(Management and Administration) Rules, 2014, and clause 35 B of the Listing Agreement the Company is pleased to provide members facility to exercise their right to vote at the 41st Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by the Central Depository Services (India) Limited (CDSL)..
The procedure Instructions for e-voting are as under:-

- Log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" tab.
- Now, Select the Company name- "**Modi Rubber Limited**" from the drop down menu and click on "submit".
- Now, enter your user ID as given overleaf in the box.
- If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user follow the steps given below.
- Fill up the following details in the appropriate boxes:

PAN	Enter our 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) as given overleaf in the box.
DOB*	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Bank Details*	Enter the Bank details as recorded in your demat account or in the Company records for the said demat account or folio.

- * Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the Member ID/Folio Number in the Bank details field.
- After entering these details appropriately, click on "Submit" tab.
- Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in the Notice.
- Click on the EVSN for **Modi Rubber Limited** to vote.
- On the Voting page, you will see resolution description and against the same the option "Yes/No" for voting. Select the option YES or NO as desired. The option Yes implies that you assent to the Resolution and option NO implies that you dissent to the resolution.
- Click on the "Resolutions File Link" if you wish to view the entire resolutions.
- After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take print of the voting done by you, by clicking

on "Click here to print" option on the voting page.

- If demat account holder has forgotten the changed password then enter the user ID and Captcha code and click on forgot password & enter the details as prompted by the system.
- Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to log on to <https://www.evotingindia.com> and register themselves as corporate. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board resolution and Power of Attorney (POA) which they have issued in favour of the custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

General Instructions:

- The e-voting period commences on 24th September 2014 (10.00 a.m.) and ends on 26th September 2014 (6.00 p.m.) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th August 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently asked questions ("FAQ's") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
 - 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 29th August 2014.
 - 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 three (3) working days from the conclusion of the e-voting period unblock the votes in presence of at least two (2) 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 CDSL within two (2) days of passing of the resolutions at the AGM of the Company.
10. Pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant rules made there under companies can serve annual reports and other communications through electronic mode to those members who have registers their e-mail address with the Company or with the Depository. Members who have not registers their e-mail address with the Company can now register the same by submitting the duly filled in "E-mail Registration Form" available on the website of the Company, to the Company. Members holding shares in demat form are requested

to register their e-mail address with the Depository Participant(s) only. Members of the Company, who have registered their email address, are entitled to receive such communication in physical form upon request.

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

11. 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.
12. Details under clause 49 of the Listing Agreement with the Stock Exchange 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 appointment/re-appointment and their brief profile forms part of the explanatory statement.
13. 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.net. 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 21st September 2014 upto the date of the AGM.

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

Place: New Delhi
Date: August 08, 2014

(S.K Bajpai)
Head-Legal & Company Secretary

Explanatory Statement in respect of Special Business pursuant to Section 102 of the Companies Act, 2013:-

Item No. 4

Mr. Kawaljit Singh Bains is an I.A.S. (Retd.), PG Diploma in Macro Economic Development, (U.K.) B Tech (IIT, Karagpur), B.A. Maths and has an expertise in Industry, finance and management.

Mr. Kawaljit Singh Bains a Non- Executive Independent Director was appointed by the Board of Directors of the Company w.e.f 26.08.2009. Mr. Bains is the Chairman of Audit Committee and Nomination and Remuneration committee of the Company which was constituted on 08.08.2014 in terms of section 178 of the Companies Act, 2013 as well



as the member of Stakeholders Relationship Committee (Formerly known as Shareholders Grievance Committee)

Mr. Bains is a Director, whose period of office is liable to determination by rotation under the erstwhile applicable provisions of the Companies Act, 1956. However, in terms of section 149(13) of the Companies Act, 2013 an independent director is not liable to retire by rotation. Therefore, in terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Bains being eligible offers himself for re-appointed as Independent Director of the Company for a period of 5 consecutive years for a term upto September 29th, 2019.

Mr. Bains has given a declaration to the Board that he meets the criteria of Independence as provided under section 149(6) of the Companies Act, 2013. In the opinion of the Board Mr. Bains fulfils the conditions as specified in the Companies Act 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board recommends the resolution in relation to appointment of Mr. Bains as an Independent Director, for the approval by the Shareholders of the Company.

Except Mr. Kawaljit Singh Bains (being an appointee), none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out in Item No.4.

This Explanatory Statement may be treated as the disclosure in terms of the clause 49 of the Listing Agreement of the Company.

Item No. 5

Mr. Neeraj Sharma is a LL.B. and is a partner in Dua Associates and also has an expertise in the Legal matters.

Mr. Neeraj Sharma a Non- Executive Independent Director of the Company was appointed by the Board of Directors of the Company w.e.f 30.04.2010. Mr. Neeraj Sharma is a Member of the Nomination and remuneration committee of the Company which was duly constituted on 08.08.2014 in terms of section 178 of the Companies Act, 2013.

Mr. Neeraj Sharma is a Director, whose period of office is liable to determination by rotation under the erstwhile applicable provisions of the Companies Act, 1956. However, in terms of section 149(13) of the Companies Act, 2013 an independent director is not liable to retire by rotation. Therefore, in terms of Section 149 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 Mr. Neeraj Sharma being eligible offers himself for re-appointed as Independent Director of the Company for a period of 5 consecutive years for a term upto September 29th, 2019.

Mr. Sharma has given a declaration to the Board that he meets the criteria of Independence as provided under section 149(6) of the Companies Act, 2013. In the opinion of the Board Mr. Sharma fulfils the conditions as specified in the Companies Act 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board recommends the resolution in relation to appointment of Mr. Sharma as an Independent Director, for the approval by the

Shareholders of the Company.

Except Mr. Sharma (being an appointee), none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out in Item No.5.

This Explanatory Statement may be treated as the disclosure in terms of the clause 49 of the Listing Agreement of the Company.

Item No. 6

Pursuant to Section 161(1) of the Companies Act 2013 the Board of Directors of the Company at its meeting held on 08th August 2014 appointed Ms. Piya Modi as an additional director of the Company to hold office upto the ensuing Annual General Meeting. Company has received notice from a member of the Company proposing her candidature for appointment as Director who is liable to retire by rotation. Hence resolution No.6 of the notice is proposed. Your Board recommends passing of the said resolution.

None of the Directors except Mr. Alok Kumar Modi and Mr. Vinay Kumar Modi (as his relatives) may be considered to be interested or concerned in passing of the proposed resolution.

Item No. 7

The Board of Directors of the Company in its meeting held on August 08th 2014 has appointed Ms. Piya Modi, as Whole Time Director and designated as Executive Director/ Chief Executive Officer of the Company for a period of 3 years with effect from October 01st, 2014 subject to the approval of the members of the Company.

Ms. Piya Modi satisfies all the conditions set out in Part-I of Schedule-V and the conditions given under sub- section (3) of Section 196 of the Companies Act, 2013 for being eligible for her appointment.

Ms. Piya Modi is not disqualified from being appointed as a Director in terms of section 164(2) of the Companies Act, 2013.

Ms. Piya Modi is a graduate from Communication & graphic design and has an expertise in management.

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

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

Part- A

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

Part- B

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

Part- C

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

A copy of her appointment and remuneration as approved are available for inspection by the shareholders at the Registered office of the Company during office hours on any working day except Saturday between 11.00 am to 1.00 p.m. up to 30th September 2014.

Your Company seeks approval of the shareholders for the appointment of Ms. Piya Modi as Whole Time Director designated as Executive Director/ Chief Executive officer of the Company in terms of appropriate provisions of the Company.

None of the Directors except Ms. Piya Modi (being an appointee), Mr. Vinay Kumar Modi and Mr. Alok Kumar Modi relatives may be deemed to be interested in the above resolution of the notice.

Information required under clause 49 of the Listing Agreement in respect of Resolution No. 4, 5, 6 & 7 is given below:-

Particulars	Mr. Kawaljit Singh Bains	Mr. Neeraj Sharma	Ms. Piya Modi
Age (in years)	79	48	23
Qualification	I.A.S.(Retd), PG Diploma in Macro Economic Development, (U.K) B. Tech, (IIT Kharagpur), B.A.(Maths)	L.L.B	Graduate from Communication & Graphic Design
Expertise in specific functional areas	Industry, Finance & Management	Legal	Management
Date of appointment on the Board of the Company	26.08.2009	30.04.2010	08.08.2014
Names of other Companies in which Directorships held	Nil	Nil	Nil
Names of other Companies in which Committee Membership/ Chairman-ships held	Nil	Nil	Nil
No. of shares held	Nil	Nil	Nil



DIRECTORS' REPORT

Your Directors present the 41st Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2014.

IMPLEMENTATION STATUS OF BIFR SCHEME

Your Company was discharged by BIFR vide its order dated 23.02.2010. In terms of the conditions thereof and BIFR's order dated 23.02.2010, your Company has been implementing the unimplemented portion of the revival scheme sanctioned by the BIFR.

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 3-4 creditors who have till date not accepted the dues as per scheme sanctioned by the BIFR.

Your Company has been following up with UP Govt., other state Govt. and 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 possible wherever possible.
- 2) Company is taking several steps to utilize its real- estate resources and wherever possible to put them to generate revenue.
- 3) The Company has made an Investment in a Joint Venture Asahi Modi Materials Private Limited.
- 4) The Company is exploring additional avenues of investment in potential Joint Ventures.

FINANCIAL RESULTS

During the year under review, your company has recorded a net profit after tax Rs 124.21 Lacs as compared to Rs 2727.68 Lacs in previous year on a total income of Rs 2278.32Lacs as compared to 5429.13Lacs in the previous year.

Since, there is inadequate profit, your Board does not recommend any dividend.

FIXED DEPOSITS

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

BOARD OF DIRECTORS

Pursuant to section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. Kawaljit Singh Bains (DIN 01444259) and Mr. Neeraj Sharma (DIN 03077684) as Independent Directors for five consecutive years for a term upto September 29th 2019 in terms of the Companies Act, 2013.

Ms. Piya Modi (DIN 03623417) was appointed as an additional Director of the Company w.e.f. 08.08.2014 to hold the office upto the ensuing Annual General meeting of the Company. The Company has received a notice alongwith a deposit of Rs one lakh,

as provided under section 160 of the Companies Act, 2013 from a member proposing her candidature for appointment as a Director who is liable to retire by rotation. In the same meeting Ms. Piya Modi (DIN-03623417) was also appointed as the Whole-Time Director and designated as Executive Director/Chief Executive Officer w.e.f. 1st October, 2014 on terms and conditions detailed in the notice.

Brief resume of the above directors proposed to be appointed, nature of their expertise in specific functional areas and the names of the Public Companies in which they hold the Directorship and the Chairmanship/membership of the Committee of the Board, as stipulated in clause 49 of the Listing Agreement forms a part of the Notice of this Annual General Meeting.

Pursuant to the provisions of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mr. Sanjiwan Sahnii (DIN 01050255) Director of the Company is liable due to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Chairman and Managing Director are non retiring directors in terms of the Articles of Association.

None of the Directors of your Company is disqualified as per the provisions of Section 164(2) of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors of your Company declare as under

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; The same has been certified by the auditors in their annexure to audit report stating therein that no serious discrepancies between the book records and physical quantity have been noticed.
- (iv) that the directors had prepared the annual accounts on a going concern basis.

AUDITORS

M/s.PDM and Company, Chartered Accountants, (Firm Registration No 007966N) New Delhi, Statutory Auditors of your Company shall retire at the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment as Statutory Auditors for FY15.

Under section 139 of the Companies Act, 2013 Statutory Auditors of every listed Company who have completed a term of 10 years or more will not be eligible for re-appointment as statutory Auditors. However, the existing Companies have been allowed to comply with the new requirements of this section within 3 years from the date of commencement of the Companies Act, 2013.

The existing Statutory Auditors of the Company has already completed a term of 10 years.

The Company has received a letter from the auditors confirming that they are eligible for appointment as auditors of the Company under section 139 of the Companies Act, 2013, and meet the criteria for appointment specified in section 141 of the Companies, Act 2013.

Based on the recommendation of the Audit committee, the Board of Directors of the company proposes the re-appointment of M/s PDM and Company, Chartered Accountants as the Statutory Auditors of the Company for a period of 3 years from FY 15 to FY17.

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 suspension/closure of the plant.

SUBSIDIARY COMPANIES

As per the provisions of section 212 of the Companies Act, 1956 your Company is required to attach the Director's Report, Balance Sheet, Profit & loss Account and other information of subsidiary Companies to its Balance Sheet. However, the Ministry of Corporate Affairs, Government of India has, vide its circular No.2 and 3 dated February 8, 2011 and February 21, 2011 respectively, granted a general exemption from compliance with section 212(8) of the Companies, Act, 1956 from attaching Annual Accounts of subsidiaries in the annual published accounts of the Company subject to the fulfillment of conditions stipulated in the said circulars. Your Company meets all the conditions stated in the aforesaid circulars, and therefore, the standalone, financial statements of each subsidiary are not annexed with the annual report for the FY 14.

A Statement containing brief financial details of the two wholly owned subsidiaries namely M/s Spin Investment India Limited and M/s Superior Investment (India) Limited of the Company for the year

ended March 31, 2014 forms part of the annual report. As required, pursuant to the provisions of section 212 of the Companies Act, 1956, a statement containing the holding's interest in the subsidiary Companies forms part of the annual report.

STATUTORY DISCLOSURES

During the year under review, there was no employee for the purpose of Section 217(2A) of the Companies Act, 1956. Since there was no production, there is no information required to be given for energy conservation, technology absorption, fuel consumption etc. u/s 217 (1) (e) of the Companies Act, 1956. Information about foreign exchange earnings is nil and outgo is Rs 41.46 Lacs during the year under review.

CORPORATE GOVERNANCE

As per applicable provisions of Clause 49 of the listing agreement with Stock Exchanges, a Management Discussion & Analysis Report, and a Report of Corporate Governance together with Auditors' Certificate form part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

Requisite Consolidated Financial Statements of the Company along with its Subsidiaries are attached and form part of this Report.

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 under 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

**Place : New Delhi
Date : August 08, 2014**

**Vinay Kumar Modi
Chairman**



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

With the formation of a new Govt in Parliament with clear majority sentiments on the Indian economy looks to be encouraging & in the Budget presented by this govt has made/announced a step giving impetus to growth of Indian industry in particular manufacturing and job creation oriented industries.

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.

R EPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON 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 Agreement.

1. CODE OF CONDUCT

The Board Members and Senior Managerial Personnel affirm compliance with the Code of Conduct as applicable to them for the year under review.

2. BOARD OF DIRECTORS

The Composition of the Board of Directors of Company as on 31.03.2014 is as follows:-

Name of Directors	Status i.e. Promoters, Executive, Non Executive, Independent, Nominee of Financial Institutions	Number of Board Meetings of the Company		Number of Membership in other Boards or other Committees as a Member or Chairperson		Whether attended the last AGM
		Held during the year	Attended during the year	#Board	Committee	
Shri Vinay Kumar Modi	Promoter / Non- Executive	04	03	02	01	Yes
Shri Alok Kumar Modi	Promoter / Executive	04	04	02	01	Yes
Shri K S Bains	Independent / Non Executive	04	03	00	00	Yes
Shri Sanjiwan Sahni	Independent / Non Executive	04	04	01	00	Yes
Shri Neeraj Sharma	Independent / Non Executive	04	04	00	00	No

@ Shri Vinay Kumar Modi is the father of Shri Alok Modi.

This includes directorship held in public companies and excludes Modi Rubber Limited and Private limited Companies.

During the year, there was no pecuniary relationship or business transaction by the Company with any Non Executive Director other than sitting fee for attending the Board / Committee meetings as well as the traveling / conveyance expenses incurred for attending Company's business meetings.

During the year, four meetings of the Board of Directors were held on 28.05.2013, 13.08.2013, 02.11.2013 and 12.02.2014.

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

3. AUDIT COMMITTEE

The constituted Audit Committee has the terms and roles as specified in Clause 49 of the Listing Agreement / Section 292A of the Companies Act, 1956. Audit Committee consists of the following members Shri KS Bains as Chairman of the Committee, Shri Vinay Kumar Modi and Shri Sanjiwan Sahni as Members.

The Members of the Committee have requisite financial and related management expertise. Company Secretary acts as Secretary of the Committee.

During the year ended on 31.03.2014, four meetings of the Committee were held on 28.05.2013, 13.08.2013, 02.11.2013 and 12.02.2014. The same were attended by the Members:-

Name of the Members	No. of meeting attended
Shri K.S Bains	04
Shri Vinay Kumar Modi	03
Shri Sanjiwan Sahni	04

4. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company at their meeting held on August 08th 2014 have constituted a Committee consisting of three Members i.e. Mr. K.S. Bains as the Chairman, Mr. Neeraj Sharma and Mr. Sanjiwan Sahni as the members. All the members of Nomination and remuneration committee are non-executive directors.

The Chairman of the Committee is an Independent Director in terms of the Clause 49 of the Listing Agreement. Nomination and Remuneration committee is formed to inter- alia formulate 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. No remuneration is paid to the Managing Director, except the sitting fees paid to non-executive directors for attending Board/Committee meetings during the year under review.



5. STAKEHOLDERS RELATIONSHIP COMMITTEE (ERSTWHILE KNOWN AS SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE)

The Board of Directors at its meeting held on 08.08.2014 renamed Shareholders/Investors Grievance Committee as Stakeholders Relationship Committee in terms of the requirement under section 178 of the Companies Act 2013.

The said committee looks after Shareholders / Investors' complaints & grievances, and holds its meetings as and when necessary. The Committee consists of Shri V K Modi, Shri Alok Modi and Shri Sanjiwan Sahni as Chairman. Company Secretary acts as secretary of the Committee and also compliance officer of the Company. The Board has delegated the authority for registration of shares upto 1000 to Company Secretary and from 1001 to 5000 to Managing Director. Shares over and above 5000 are approved by the STC. During the year under review, 60 complaints were received by the Company / Registrar and Share Transfer Agents from shareholders. All these complaints have since been redressed. There were no share transfer pending for registration as on 31st March, 2014.

6. DIRECTORS

The Board of Directors of the Company at its meeting held on 08.08.2014 appointed Mr. K.S. Bains and Mr. Neeraj Sharma as Independent Directors of the Company in terms of the Companies Act, 2013 for a period of consecutive five years for a term upto September 29th 2019 and Ms. Piya Modi is also appointed as an additional Director of the Company w.e.f 08.08.2014 and in the same meeting appointed as Whole-time Director and designated as Executive Director/Chief Executive Director w.e.f. 01.10.2014 on terms and conditions as detailed in the notice accompanying the Annual Report. A brief Profile of the appointed Directors are given in the Notice convening 41st Annual General Meeting of the Company.

7. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
40 th AGM	Dayawati Modi Public School, Modinagar	30.09.2013	11.30 A.M.
39 th AGM	Dayawati Modi Public School, Modinagar	30.03.2012	11.30 A.M.
38 th AGM	Dayawati Modi Public School, Modinagar	27.11.2010	3.30 P.M.

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

8. DISCLOSURES

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

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

A)	Subsidiary Companies:	% Holdings
1	Modistone Ltd. (in liquidation)	
	Official Liquidator has taken possession of the Company w.e.f. 25.07.2002- the date of appointment of Official Liquidator by Bombay High Court.	55.32
2	Superior Investment (India) Ltd.	100.00
3	Spin Investment (India) Ltd.	100.00
B)	Associates:	
1	Gujarat Guardian Ltd.	21.24
C)	Joint Venture:	
1	Asahi Modi Materials Pvt. Ltd.	49.00
D)	Key Management Personnel:	
1	Mr. Alok Kumar Modi-Managing Director	
	(No remuneration to Key Management Personnel during the year)	
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)	
5	Ms. Piya Modi (Daughter 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.	
5	Vinura Beverages Pvt. Ltd.	

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

		31/03/2014
A)	Subsidiaries:	Rs. Lacs
i)	Transfer of Assets /Liabilities (Net)	1626.25
ii)	Receivable at the year end	2329.02
B)	Associates:	
i)	Income Received	671.00
ii)	Expenses incurred on behalf of the Associates	14.57
iii)	Transfer of Assets/Liabilities (Net)	685.63
iv)	Receivable at the year end	1.64
C)	Joint Venture:	
i)	Expenses incurred on behalf of the Associates	0.48
ii)	Transfer of Assets/Liabilities (Net)	0.38
iii)	Receivable at the year end	0.10
D)	Others:	
i)	Income Received	36.56
ii)	Transfer of Assets/Liabilities (Net)	178.73
iii)	Expenses incurred on behalf	26.87
iv)	Payable/(Receivable) at the year end	(3.56)

• 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

9. MEANS OF COMMUNICATION

Quarterly / Annual Financial Results of the Company are normally published in The Pioneer (English) and Vir Arjun / Hari Bhoomi (Hindi) newspapers. The requisite information as required under the Listing Agreement is sent to the Stock Exchanges through fax / speed post / e-mail / courier etc. The same are also posted on the Company's Web-site : www.modirubberlimited.com and the website of BSE and NSE.

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.

10. GENERAL INFORMATION

CIN	: L25199UP1971PLC003392
Date, time and venue of the Annual General Meeting	: 30 th September 2014, 11.30 A.M. Auditorium, Dayawati Modi Public School, Modinagar-201 204
Book Closure	: 22.09.2014 to 30.09.2014 (both days inclusive)
Financial Calendar	: April 01, 2013 to March 31, 2014
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 2014 -15
Stock Market Data	: Bombay Stock Exchange of India (BSE)

Month	High	Low	No of shares
April 2013	26.95	19.20	7,836
May 2013	24.00	17.10	12,235
June 2013	22.65	18.95	1,373
July 2013	22.30	17.00	2,271
Aug 2013	22.00	15.40	2,067
Sep 2013	22.70	19.05	2,792
Oct 2013	19.90	15.55	12,032
Nov 2013	18.10	14.90	11,471
Dec 2013	17.75	14.90	6,807
Jan 2014	18.95	15.40	8,742
Feb 2014	19.40	15.55	13,009
Mar 2014	18.35	15.10	21,544

•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 completed 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 31.03.2014:

No. of shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of shareholding
1 – 5000	13021	94.864	1307344	5.221
5001 – 10000	475	3.461	341947	1.366
10001 – 20000	148	1.078	207991	0.831
20001 – 30000	32	0.233	76935	0.307
30001 – 40000	09	0.066	30824	0.123
40001 – 50000	07	0.051	31501	0.126
50001 – 100000	18	0.131	125794	0.502
100001 and above	16	0.117	22918196	91.524
TOTAL	13726	100.00	25040532	100.00

Shareholding pattern as on 31.03.2014.

Category	No. of Shares held	% of Shareholding
Promoters	15824959	63.20
Banks, Insurance Companies	3251	0.01
Mutual Funds	700	0.00
Foreign Institutional Investors	729291	2.91
Bodies Corporate	669172	2.67
NRI/OCBs	5766393	23.03
Indian Public	2046766	8.18
Total	25040532	100.00

Dematerialization of Shares and Liquidity

Over 78.83% of the shares have been dematerialised upto 31.03.2014.

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

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

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

o) Address for Correspondence : Mas Services Ltd.,
for transfer/dematerialization T-34, 2nd Floor, Okhla Industrial Area,
of shares, and any other query 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
Email: investors@modigroup.net

Whistle Blower Policy

The Company at its meeting held on 08th August 2014 has approved a Whistle Blower Policy which will enable all employees, directors and other stakeholders to raise their genuine concerns internally in a responsible and effective manner if and when they discover information which they believe shows serious malpractice or irregularity within the Company and/or to report to the management instances of unethical behavior, actual or suspected, fraud or violation of Company's code of conduct or ethics policy.

Non Mandatory requirements

Company has not adopted the non-mandatory requirements as mentioned in Annexure – I-D of clause 49 of the Listing Agreement.

CEO / CFO CERTIFICATION

In terms of the requirement of Clause 49, Certificates from CEO / CFO has been obtained.

For and on behalf of the Board

Place: New Delhi

Date: August 08, 2014

(Alok Kumar Modi)

Managing Director

**AUDITORS' CERTIFICATE
AS PER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of
Modi Rubber Ltd.

We have examined the compliance of conditions of corporate governance by Modi Rubber Ltd. for the accounting year ended 31.03.2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for PDM & Co.
(Firm Reg. No. 007966N)
Chartered Accountants

(Prabhat Jain)
Partner
Membership No. 086756

Place: New Delhi

Date: 08.08.2014



INDEPENDENT AUDITORS' REPORT

To the Members of
Modi Rubber Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Modi Rubber Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, we report that subject to:-

- i) Serial No. 5 of Note No. 24 regarding non availability of information of unpaid balances to Micro, Small and Medium Enterprises;
- ii) Serial No. 9 of Note No. 24 regarding non ascertainment of value

of intangible assets and value of impairment loss on Assets as per AS 26 & 28 respectively;

the total impact of which, is presently not ascertainable, the aforesaid financial statements give the information required by the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and;
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as "the Order"), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet and the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **P D M AND COMPANY**
Chartered Accountants
(Firm Regn. No. 007966N)

Place : New Delhi
Date : 28.05.2014

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

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in the main Auditors Report of even date:-

- i) a) The Company has maintained proper records to show full particulars including quantitative details and situation of its 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) In our opinion and according to the information and explanation given to us the Company has not disposed off a substantial part of its fixed assets during the year.
- ii) a) 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.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The company has maintained proper records of inventories. 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) a) The Company has not granted any secured/unsecured loan to any party listed in the register maintained under section 301 of the Companies Act, 1956.
- b) The Company has taken interest free unsecured loans from one company listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount of loans taken during the year was Rs. 220 lacs and the balance outstanding as at 31st March, 2014 is Rs. Nil.
- c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans granted/taken are not prima facie prejudicial to the interest of the company.
- d) No loan is outstanding at the year end, as the outstanding amount at the beginning of the year has duly been repaid during the year.
- iv) In our opinion and according to the information and explanations provided to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. We have not observed any continuing failure to correct major weaknesses in the aforesaid internal control system during the course of audit.
- v) a) As per information and explanations provided to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.
- b) As per information and explanations provided to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any public deposits. Therefore provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the directions issued by Reserve Bank of India are not applicable and therefore not commented upon.
- vii) As informed to us, the company has an internal audit system commensurate with its size and nature of its business. However, due to suspension of operations, there is no designated team for internal audit.
- viii) The Central Government has prescribed maintenance of Cost Records under clause (d) of sub-section (1) of Section 209(1)(d) of the Act. However no Cost Records are maintained due to the suspension of manufacturing operations.
- ix) (a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities except amounts of Rs. 86.90 lacs due to various Sales Tax Authorities and Rs. 233.14 lacs payable to Gratuity Trust 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 Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess 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	1,653.97	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		563.16	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	W.B State Act	Kolkatta	131.17	D.C. (A)	1975-2002
6	Jharkand ST Act	Jamshedpur	65.42	D.C. (A)	2000-2002
7	Jharkand ST Act	Ranchi	27.96	D.C. (A)	2000-2002
8	A.P GST Act	Andhra Pradesh	95.58	Comm. (A)	1999-2002
9	Haryana CST Act	Haryana	63.05	Jt. Comm. (A)	1999-2003
10	J & K ST Act	Jammu & Kashmir	42.33	D.C. (A)	2001-2002
11	M.P Comm. Tax Act	Madhya Pradesh	134.40	D.C. (A)	1993-2002
12	Uttaranchal ST Act	Uttranchal (Haldwani)	20.29	Jt. Comm. (A)	2000-2002
13	Pondicherry ST Act	Pondicherry	0.73	D.C. (A)	1999-2000

- x) There are no accumulated losses at the end of the financial year. The Company has not incurred any Cash Loss during the year and immediately preceding financial year.
- xi) In our opinion and according to informations and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions, banks or debenture holders.
- xii) As informed to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not carrying on the business of Chit Fund, Nidhi or Mutual Benefits Fund / Societies.
- xiv) The Company is not dealing or trading in Shares, Securities and other Investments.
- xv) The Company has not given any guarantee for loan taken by others from banks or financial institutions.
- xvi) The Company has not taken any term loan during the financial year.

- xvii) The Company has not raised any loan during the year.
- xviii) The Company has neither issued any fresh share capital nor made any preferential allotment during the year.
- xix) The Company has not issued any debenture during the year.
- xx) The Company has not raised any money by way of Public Issue during the year.
- xxi) As informed by the company, no case of any fraud on or by the Company has been noticed or reported during the year.

For: **P D M AND COMPANY**
Chartered Accountants
(Firm Regn. No. 007966N)

Place : New Delhi
Date : 28.05.2014

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

BALANCE SHEET

AS AT 31ST MARCH, 2014

PARTICULARS	Note No.	As at	As at
		31.03.2014	31.03.2013
		Rs. Lacs	Rs. Lacs
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	1	2504.05	2504.05
(b) Reserves and Surplus	2	11052.23	10928.02
		13556.28	13432.07
(2) NON-CURRENT LIABILITIES			
(a) Long-Term Borrowings	3	2.56	6.60
(b) Other Long Term Liabilities	4	54.99	48.10
		57.55	54.70
(3) CURRENT LIABILITIES			
(a) Short-Term Borrowings	5	250.00	470.00
(b) Trade Payables	6	447.33	447.33
(c) Other Current Liabilities	7	3665.84	4411.01
		4363.17	5328.34
	TOTAL	17977.00	18815.11
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets	8		
(i) Tangible Assets		1344.77	1480.88
(ii) Intangible Assets		0.08	0.08
(b) Non-Current Investments	9	5437.94	5410.94
(c) Deferred Tax Assets (Net)	10	1672.36	1994.38
(d) Long-Term Loans and Advances	11	483.69	340.76
(e) Other Non Current Assets	12	4369.55	4290.27
		13308.39	13517.31
(2) CURRENT ASSETS			
(a) Current Investments	13	1245.00	0.00
(b) Inventories	14	75.42	75.42
(c) Trade Receivables	15	4.27	6.80
(d) Cash and Bank Balances	16	222.17	610.88
(e) Short-Term Loans and Advances	17	3121.75	4604.70
		4668.61	5297.80
	TOTAL	17977.00	18815.11

Significant Accounting Policies and Notes on Financial Statements 1-24

As per our Report Attached For P D M and Company (Firm Registration No. 07966N) Chartered Accountants CA. Prabhat Jain Partner M.No. 086756	Alok Modi Managing Director Sanjiwan Sahni K.S. Bains Neeraj Sharma Directors	S.K. Bajpai Head – Legal & Company Secretary Kamal Gupta Head – Finance & Accounts
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PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2014

PARTICULARS	Note No.	Year ended 31.03.2014 Rs. Lacs	Year ended 31.03.2013 Rs. Lacs
INCOME			
Revenue from Operations	18	446.91	990.25
Other Income	19	1831.41	4438.88
TOTAL		2278.32	5429.13
EXPENSES			
Employee Benefits Expense	20	369.59	457.78
Finance Costs	21	0.78	1.75
Depreciation and Amortization Expense	8	102.17	176.69
Other Expenses	22	1491.49	1944.75
TOTAL		1964.03	2580.97
PROFIT BEFORE TAX		314.29	2848.16
Tax Expense			
Current Tax	23	(131.94)	645.97
Deferred Tax Liability/(Asset)		322.02	(525.49)
PROFIT FOR THE YEAR		124.21	2727.68
Basic and Diluted Earning Per Equity Share (in Rupees) (Not Annualised)		0.50	10.89
Significant Accounting Policies and Notes on Financial Statements	1-24		

Date : 28.05.2014
Place : New Delhi

As per our Report Attached
For P D M and Company
(Firm Registration No. 07966N)
Chartered Accountants
CA. Prabhat Jain
Partner
M.No. 086756

Alok Modi
Managing Director

Sanjiwan Sahni
K.S. Bains
Neeraj Sharma
Directors

S.K. Bajpai
Head – Legal &
Company Secretary

Kamal Gupta
Head – Finance & Accounts

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014		31.03.2013	
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
A. Cash Flow from operating activities				
Net Profit before tax and extraordinary items		314.29		2,848.16
Add: Adjustments for:				
Depreciation and Amortization	102.17		176.69	
Interest Paid	0.78		1.75	
Interest Income	(398.00)		(652.39)	
Net(Profit)/Loss on Assets sold/discarded	90.53		(221.83)	
Net(Profit)/Loss on Investments	(42.20)		(2,893.83)	
Provision made for Gratuity	33.87		9.59	
Provision made for sales tax liability	-		34.78	
Provision made for creditors as per BIFR scheme	-		8.25	
Provision made for doubtful debts and advances	-		10.00	
Balances /Provisions not required Written off/(back) (Net)	(721.88)		312.05	
Dividend Received	(668.86)	(1,603.59)	(667.00)	(3,881.94)
Operating profit/(Loss) before working capital changes		(1,289.30)		(1,033.78)
Adjustments for:				
(Increase)/Decrease in Current Assets	1,585.81		(596.19)	
Increase/(Decrease) in Current Liabilities and Provisions	(271.42)		(712.57)	
Cash generated from operations before tax		1,314.39		(1,308.76)
Add : Taxes (paid)/refund		25.09		(2,342.54)
		(76.56)		(706.75)
Net cash generated from operating activities (A)			(51.47)	(3,049.29)
B. Cash flow from investing activities:				
Interest Received		108.05		38.93
Dividend Received		668.86		667.00
(Increase)/Decrease in Fixed Deposit with Banks having maturity more than 3 months		646.84		79.25
Additions to Fixed assets		(57.08)		(63.59)
Proceeds from Sale of Fixed Assets		0.49		245.07
Purchase of Investment		(6,765.10)		(1,469.00)
Proceeds from Sale of Investments		5,535.30		3,253.31
Net cash generated from investing activities (B)			137.36	2,750.97
C. Cash Flow from financing activities:				
Increase/(Decrease) in Borrowings		(4.04)		(5.44)
Increase/(Decrease) Other Non Current Liabilities		6.89		-
Interest paid		(0.78)		(1.75)
Net cash used in financing activities (C)			2.07	(7.19)
Net increase/(decrease) in cash and cash equivalent(A+B+C)			87.96	(305.51)
Cash and cash equivalents as at the beginning of the year			59.49	365.00
Cash and cash equivalents as at the end of the year			147.45	59.49

NOTES: 1. Cash and Cash equivalents includes.

Cash on Hand		2.74		1.67
Balance with Banks in:				
- Current Accounts		14.82		57.82
- Cheque in Hand		29.84		
- Fixed Deposits maturing within 3 months		100.05		0.00
		TOTAL	147.45	59.49

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

Date : 28.05.2014
Place : New Delhi

As per our Report Attached
For P D M and Company
(Firm Registration No. 07966N)
Chartered Accountants
CA. Prabhat Jain
Partner
M.No. 086756

Alok Modi
Managing Director

Sanjiwan Sahni
K.S. Bains
Neeraj Sharma
Directors

S.K. Bajpai
Head – Legal &
Company Secretary

Kamal Gupta
Head – Finance & Accounts



SHARE CAPITAL

Note-1

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	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
	31.03.2014	31.03.2013
	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	5126.44	2398.76
Add: Profit for the year	124.21	2727.68
At the end of the year	5250.65	5126.44
TOTAL	11052.23	10928.02

LONG-TERM BORROWINGS

Note-3

PARTICULARS	As At	As At
	31.03.2014	30.03.2013
	Rs. Lacs	Rs. Lacs
Term Loan from Others (Secured)*	6.60	10.31
Less: Current Maturities of Long-Term Debt	(4.04)	(3.71)
TOTAL	2.56	6.60

*Secured by hypothecation of a Vehicle. Repayable in equated monthly instalment of Rs. 37,368 each (including interest). Final instalment due in October, 2015.

OTHER LONG TERM LIABILITIES

Note-4

PARTICULARS	As At	As At
	31.03.2014	30.03.2013
	Rs. Lacs	Rs. Lacs
Security Deposit	54.99	48.10
TOTAL	54.99	48.10

SHORT-TERM BORROWINGS

Note-5

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Loans and Advances from Related Parties (Unsecured)*	0.00	220.00
Other Loans and Advances (Unsecured)		
- Inter Corporate Deposits**	250.00	250.00
TOTAL	250.00	470.00

* Interest free

** 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
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Trade Payables*	447.33	447.33
TOTAL	447.33	447.33

* Includes:-

- Rs. 136.62 lacs (Previous year Rs. 136.62 lacs) i.e 20% of Rs. 683.10 lacs as per settlement terms defined in BIFR SS08 towards lease rent payable to M/s Modi Exports Processors Ltd. (MEPL) for the period January, 2002 to September, 2007. Further no liability towards lease rent has been provided after September, 2007 since the premises are sealed by the Official Liquidator of MEPL. Legal recourse for re possession of plant is being actively followed. The matter is pending before Allahabad High Court.
- Rs. 310.71 lacs (Previous year Rs. 310.71 lacs) being 50% of the principal outstanding of Rs. 621.42 lacs due to M/s Continental 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 Court.



OTHER CURRENT LIABILITIES

Note-7

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Current Maturities of Long-Term Debt	4.04	3.71
Sundry Creditors	239.69	289.27
Expenses Payable	97.21	116.27
Duties and Taxes	2673.58	3383.06
Security Deposits	9.31	9.31
Gratuity Payable	267.01	233.14
Compensation Payable to Employees	375.00	376.25
TOTAL	3665.84	4411.01

FIXED ASSETS

NOTE - 8

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.2013	Additions during the Year	Adjustments/ Deductions during the Year	As At 31.03.2014	Upto 31.03.2013	For the Year	Adjustments/ Deductions	Upto 31.03.2014	As At 31.03.2014	As At 31.03.2013
	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	3354.03	0.00	356.23	2997.80	2627.05	38.59	303.96	2361.68	636.12	726.98
Plant & Machinery	3591.45	0.00	0.00	3591.45	3318.31	30.21	0.00	3348.52	242.93	273.14
Furniture, Office Equipments & Electrical Installations etc.	2139.49	57.08	1793.37	403.20	2010.11	23.83	1755.45	278.49	124.71	129.38
Vehicles	243.91	0.00	162.55	81.36	206.82	9.54	161.72	54.64	26.72	37.09
TOTAL (A)	9643.17	57.08	2312.15	7388.10	8162.29	102.17	2221.13	6043.33	1344.77	1480.88
Previous Period	9654.35	63.59	74.77	9643.17	8037.13	176.70	51.54	8162.29	1480.88	1617.22
Intangible Assets										
Patent & Trade Marks	0.08	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.08	0.08
TOTAL (B)	0.08	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.08	0.08
Previous Period	0.08	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.08	0.08
GRAND TOTAL (A+B)	9643.25	57.08	2312.15	7388.18	8162.29	102.17	2221.13	6043.33	1344.85	1480.96
Previous Period	9654.43	63.59	74.77	9643.25	8037.13	176.70	51.54	8162.29	1480.96	1617.30

NOTE:

Building Includes :-

- On leasehold basis	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-9

PARTICULARS	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
A. Investment In Equity Instruments- Fully paid up		
Quoted		
Other Investments		
No.of Shares/Units		
197999 Lords Chloro Alkali Ltd. of Rs. 10 each	19.80	19.80
(197999)		
680001 Bihar Sponge Iron Ltd. of Rs. 10 each	68.00	68.00
(680001)		
74500 Sun Pharmaceutical Industries Ltd.of Rs.10 each	0.00	0.00
(Nil) (Bonus Shares)		
SUB TOTAL	87.80	87.80
Unquoted		
Trade Investments		
11475000 Modistone Ltd. of Rs. 10 each*	2137.50	2137.50
(11475000) Less : Provision for diminution in Value of Shares	(2137.50)	(2137.50)
33350000 Gujarat Guardian Ltd. of Rs. 10 each	3335.00	3335.00
(33350000)		
29915 Superior Investment (India) Ltd. of Rs. 100 each**	29.92	29.92
(29915)		
29915 Spin Investment (India) Ltd. of Rs. 100 each**	29.92	29.92
(29915)		
14700000 Asahi Modi Materials (Pvt) Ltd. of Rs. 10 each***	1470.00	0.00
(Nil)		
Share Application Money in Asahi Modi Materials (Pvt) Ltd.	0.00	1469.00
Other Investments		
3137000 Xerox India Ltd.of Rs. 10 each	459.30	459.30
(3137000)		
1250000 Spark Plug Ltd. of Rs. 10 each	125.00	125.00
(1250000) Less : Provision for diminution in value of shares	(125.00)	(125.00)
SUB TOTAL	5324.14	5323.14
SUB TOTAL (A)	5411.94	5410.94
B. Investment In Government or Trust Securities		
Unquoted		
12.30% Central Government Stock, 2016	14.00	0.00
12.60% Central Government Stock, 2018	12.00	0.00
SUB TOTAL (B)	26.00	0.00
C. Investment in a Mutual Fund -Fully Paid up		
Quoted		
Other Investments		
Nil Units of Tata Income Fund (Bonus Units)	0.00	0.00
(3687675)		
SUB TOTAL (C)	0.00	0.00
TOTAL (A+B+C)	5437.94	5410.94
Aggregate Value of Quoted Investments	87.80	87.80
Aggregate Market Value of Quoted Investments	481.49	449.63
Aggregate Gross Value of Unquoted Investments	7612.64	7585.64
Aggregate Value of Provision for Diminution in Value of Unquoted Investments	2262.50	2262.50
Aggregate Net Value of Unquoted Investments	5350.14	5323.14

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
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Deferred Tax Asset		
Carried Forward Business Losses/Unabsorbed Depreciation	1121.10	1136.46
Taxes and Duties	720.55	1089.22
Others	92.10	81.24
Deferred Tax Liability		
Depreciation and Amortisation of Fixed Assets	(261.39)	(312.54)
TOTAL	1672.36	1994.38

LONG-TERM LOANS AND ADVANCES

Note-11

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
(unsecured, considered good unless otherwise specified)		
Security Deposits	11.33	12.48
Other Loans and Advances	40.44	40.44
Less: Provision for Doubtful Advances	(10.00)	(10.00)
MAT Credit Entitlement	441.92	297.84
TOTAL	483.69	340.76

OTHER NON CURRENT ASSETS

Note-12

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Balances with Banks		
- in Fixed Deposits with maturity more than 12 months * (including interest accrued)	4369.55	4290.27
TOTAL	4369.55	4290.27
* Includes:-		
In Escrow Accounts	2467.82	2426.92
Against Guarantee	1445.54	1434.33
As Margin Money	456.19	429.02

CURRENT INVESTMENTS

Note-13

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
I. Investment in Mutual Funds -Fully Paid up		
Quoted		
Other Investments		
No. of Units		
2403810.595 Baroda Pioneer PSU Bond Fund -Plan A (Growth)	325.00	0.00
(Nil)		
34527.399 Baroda Pioneer Treasury Advantage Fund Plan B (Growth)	500.00	0.00
(Nil)		
1158406.265 Reliance Quarterly Interval Fund Series II	200.00	0.00
(Nil)		
13902.569 ICICI Prudential Liquid -Regular Plan (Growth)	20.00	0.00
(Nil)		
10154.422 SBI Premier Liquid Fund-Regular Plan (Growth)	200.00	0.00
(Nil)		
TOTAL	1245.00	0.00

INVENTORIES

Note-14

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	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
	31.03.2014	31.03.2013
	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	0.25	0.25
- others	4.02	6.55
TOTAL	4.27	6.80

CASH AND BANK BALANCES

Note-16

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	14.82	57.82
in Fixed Deposits with maturity within 3 months	100.05	0.00
Cheque in hand	29.84	0.00
Cash on hand	2.74	1.67
SUB TOTAL (A)	147.45	59.49
Other Bank Balances		
Balances with Banks		
in Fixed Deposits with maturity more than 3 months but not exceeding 12 months (including interest accrued)*	74.72	551.39
SUB TOTAL (B)	74.72	551.39
TOTAL (A+B)	222.17	610.88
* Includes:-		
In Escrow Accounts	0.00	469.02
Against Guarantee	74.72	82.37

SHORT-TERM LOANS AND ADVANCES

Note-17

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
(unsecured, considered good unless otherwise specified)		
Loans and Advances to Related Parties *	2330.66	3956.97
Sales Tax Paid Under Protest/Recoverable	40.23	45.97
Income-Tax /Wealth Tax (net of provisions)	367.76	291.50
Advances to Suppliers	141.14	114.85
Other Claims Recoverable	237.13	189.90
Staff Advances	12.29	12.97
Less: Provision for doubtful advances	(7.46)	(7.46)
TOTAL	3121.75	4604.70

*Includes:-

1) Due from Wholly Owned Subsidiaries (Interest free)		
- Spin Investment (India) Ltd.	2329.02	3955.27
2) Due from an Associate Company against expenses		
- Gujarat Guardian Ltd.	1.64	1.70



REVENUE FROM OPERATIONS

NOTE - 18

PARTICULARS	Year Ended	Period Ended
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Other Operating Revenue		
- Non Compete Fees	0.00	409.68
- Others	446.91	580.57
TOTAL	446.91	990.25

OTHER INCOME

NOTE - 19

PARTICULARS	Year Ended	Period Ended
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Interest Income	398.00	652.39
Dividend Income	668.86	667.00
Net Gain/Loss on Sale of Investments	42.20	2893.83
Profit on Sale of Fixed Assets (Net)	0.00	221.83
Excess Liabilities/Provisions/Sundry Balances Written Back/Off (Net)	720.74	0.00
Miscellaneous Income	1.61	3.83
TOTAL	1831.41	4438.88

EMPLOYEE BENEFITS EXPENSE

NOTE - 20

PARTICULARS	Year Ended	Period Ended
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Salaries, Incentives and Allowances	278.29	378.93
Contributions to Provident and Other Funds	45.69	25.01
Staff Welfare Expense	45.61	53.84
TOTAL	369.59	457.78

FINANCE COSTS

NOTE - 21

PARTICULARS	Year Ended	Period Ended
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Interest Expense	0.78	1.75
TOTAL	0.78	1.75

OTHER EXPENSES NOTE - 22

PARTICULARS	Year Ended 31.03.2014		Period Ended 31.03.2013
	Rs. Lacs	Rs. Lacs	Rs. Lacs
Rent		32.33	46.76
Repair & Maintenance to Buildings		430.70	424.23
Repairs & Maintenance to Other Assets		44.75	44.93
Insurance		7.60	7.50
Rates & Taxes		35.25	73.98
Auditors' Remuneration:			
Audit Fee	5.62		8.42
For Certificates etc.	1.88		3.13
For Other matters	0.00		0.95
For Expenses	0.65	8.15	0.53
Legal & Professional Charges		289.21	399.06
Travelling & Conveyance		149.67	139.93
Electricity & Water		85.11	72.83
Vehicle Expenses		13.44	13.88
Communication Expenses		14.58	18.89
Excess Liabilities/Provisions/Sundry Balances			
Written Off/Back (Net)		0.00	351.26
Loss on Assets Sold /Discarded/Written off		90.53	0.00
Sales Tax Paid/Provided		1.58	51.65
Charges General		124.20	147.39
Business Promotion Expenses		11.55	13.24
Excise Duty Paid		89.34	0.00
Provision for Doubtful Loan		0.00	10.00
Miscellaneous Expenses		63.50	116.19
TOTAL		1491.49	1944.75

CURRENT TAX NOTE - 23

PARTICULARS	Year Ended 31.03.2014		Period Ended 31.03.2013
	Rs. Lacs	Rs. Lacs	Rs. Lacs
Provision for:-			
- Income Tax		0.00	769.70
- Wealth Tax		12.15	18.50
MAT Credit Entitlement		(144.09)	(147.76)
Prior period Adjustments		0.00	5.53
TOTAL		(131.94)	645.97



SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2014

Note - 24

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements
The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis, except in case of certain items of Income/Expenditure where recovery/payment is uncertain. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable), 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 tax 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
At weighted average cost
 - (b) Goods-in-process
Lower of Cost or net realisable value.
 - (c) Finished Goods
Lower of Cost or net realisable value.
 - (d) Stores, Spares Parts and Loose Tools
At weighted average cost.
 - (e) Scrap and Wastage
At estimated selling price.
In respect of Finished goods and Goods in process, the cost is determined by considering material, related labour & overheads and duty thereon.
4. Depreciation
Plant and Machinery on straight-line method and other Fixed Assets on reducing balance method at the rates specified in Schedule XIV of the Companies Act, 1956. Plant and Machinery are depreciated to the extent of 95% of its gross value considering the shelf life of 18 years.
5. Sales/Other Incomes
Sales comprise sale of goods, net of trade discount and include excise duty but exclude goods despatched pending for retirement where the titles of the goods remain with the company till retirement of documents.
Other Incomes are recognized on accrual basis.
6. 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.
7. 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.
8. 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.
9. Investments
 - a) Investments are stated at Cost (FIFO basis).
 - b) In respect of investment of a long-term nature (including in subsidiaries), provision is made for any diminution in the value wherever it is permanent in nature.
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 31/03/2014 Rs. Lacs	As At 31/03/2013 Rs. Lacs
1. Guarantees/Bonds (Unconfirmed)	2393.38	2393.38
2. Excise /Customs /DGFT Matters	2372.00	1853.97
3. Others	3397.75	2776.06

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, 2014 with BIFR on 26/05/2014.
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 carry out repair work to make MTF functional at the earliest.
3. (a) Provision for Income Tax is computed in accordance with the provisions of the Income Tax Act, 1961.
- (b) Provision for Wealth Tax is computed in accordance with the provision of the Wealth Tax Act, 1957.
- (c) 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. 19.30 lacs [previous year Rs.17.32 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 31/03/2014	Period Ended 31/03/2013
Profit after Tax (Rs. Lacs)	124.21	2727.68
Basic number of equity shares	25040532	25040532
Basic earning per share (Rs.) (Not Annualised)	0.50	10.89

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) Associates:**
1 Gujarat Guardian Ltd. 21.24
- C) Joint Venture:**
1 Asahi Modi Materials Pvt. Ltd. 49.00
- D) Key Management Personnel:**
1 Mr. Alok Kumar Modi-Managing Director (No remuneration to Key Management Personnel during the year)
- 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)
5 Ms. Piya Modi (Daughter 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.
5 Vinura Beverages Pvt. Ltd.

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

		31/03/2014	31/03/2013
A) Subsidiaries:		Rs. Lacs	Rs. Lacs
i)	Transfer of Assets /Liabilities (Net)	1626.25	262.66
ii)	Receivable at the year end	2329.02	3955.27
B) Associates:			
i)	Income Received	671.00	670.65
ii)	Expenses incurred on behalf of the Associates	14.57	5.10
iii)	Transfer of Assets/Liabilities (Net)	685.63	674.05
iv)	Receivable at the year end	1.64	1.70
C) Joint Venture:			
i)	Expenses incurred on behalf of the Associates	0.48	Nil
ii)	Transfer of Assets/Liabilities (Net)	0.38	Nil
iii)	Receivable at the year end	0.10	Nil
D) Others:			
i)	Income Received	36.56	Nil
ii)	Transfer of Assets/Liabilities (Net)	178.73	279.85
iii)	Expenses incurred on behalf	26.87	122.37
iv)	Payable/(Receivable) at the year end	(3.56)	184.85

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 Provident Fund Trust and / or 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, 2014

		31/03/2014 Rs. Lacs	31/03/2013 Rs. Lacs
(a)	Contribution to Provident Fund	10.44	13.17
(b)	Contribution to Employee Pension Scheme 1995	1.38	2.26

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.

Defined Benefit Obligation (Gratuity)

		Rs. Lacs 31/03/2014	Rs. Lacs 31/03/2013
A.	The amounts (in Rs.) recognised in the balance sheet are as follows:		
	Present value of funded obligations	124.42	131.55
	Fair value of plan assets	128.14	134.23
	Present value of unfunded obligations	Nil	Nil
	Unrecognised past service cost	Nil	Nil
	Unrecognised Actuarial loss	Nil	Nil
	Amounts in the balance sheet:		
	Liabilities	124.42	131.55
	Assets	128.14	134.23
	Net liability (Asset)	(3.72)	(2.68)
B.	The amounts (in Rs.) recognised in the statement of profit and loss are as follows:		
	Current service cost	3.16	3.72
	Interest on obligation	10.13	15.09
	Expected return on plan assets	(11.78)	(19.07)
	Net actuarial losses (gains) recognised in year ended	(2.55)	22.20
	Past service cost	Nil	Nil
	Losses (gains) on curtailments and settlement	Nil	Nil
	Total, included in 'employee benefit expense'	(1.04)	21.94
C.	Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:		
	Opening Defined Benefit Obligation	131.55	135.45
	Service cost for the year	3.16	3.72
	Interest cost for the year	10.13	15.09
	Actuarial losses (gains)	(13.65)	4.33
	Losses (gains) on curtailments	Nil	Nil
	Liabilities extinguished on settlements	Nil	Nil
	Liabilities assumed in an amalgamation in the nature of purchase	Nil	Nil
	Exchange differences on foreign plans	Nil	Nil
	Benefits Paid	(6.77)	(27.04)
	Closing defined benefit obligation 31-03-2014	124.42	131.55
D.	Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:		
	Opening fair value of plan assets as on	134.24	31.00
	Adjustment to the fund	Nil	118.47
	Expected return on mean fund	11.77	19.07



	Actuarial gains and (losses)	(11.10)	(17.87)
	Assets distributed on settlements	Nil	Nil
	Contribution by employer	Nil	10.60
	Assets acquired in an amalgamation in the nature of purchase	Nil	Nil
	Exchange differences on foreign plans	Nil	Nil
	Benefits paid	(6.77)	(27.03)
	Closing balance of fair value of plan assets as on	128.14	134.24
E.	Gratuity Benefit		
	Amount for the current periods are as follows:		
	Defined Benefit Obligation	124.42	131.55
	Plan assets	128.14	134.24
	Surplus / (deficit)	3.72	2.68
	Experience adjustments on plan liabilities	(9.33)	2.72
	Actuarial Loss/(Gain) due to change in assumptions	(4.31)	Nil
	Experience adjustments on plan assets	11.10	17.87
	Past Service Cost	NIL	NIL
G.	The major categories of plan assets as a percentage of total plan assets are as follows:		
	Government of India Securities	0%	0%
	High quality corporate bonds	0%	0%
	Equity shares of listed companies	0%	0%
	Property	0%	0%
	Policy of insurance	100%	100%
	Bank Balance	0%	0%
H.	Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):		
	Discount rate as at 31/03/2014	8.80%	7.90%
	Expected return on plan assets at 31-03-2014	9.00%	9.00%
	Proportion of employees opting for early retirement	Nil	Nil
	Annual increase in Salary costs	5.25%	5.25%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

11. Expenditure in foreign currency:-

	Year Ended 31/03/2014	Period Ended 31/03/2013
Travelling Expenses (Rs. in Lacs)	41.46	43.09

12. a) Previous year/period figures have been regrouped/rearranged wherever necessary.

b) Current year is of 12 months and previous period is of 18 months. Hence, current year figures are not comparable with those of previous period figures.

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

As per our Report Attached
For P D M and Company
(Firm Registration No. 07966N)
Chartered Accountants
CA. Prabhat Jain
Partner
M.No. 086756

Alok Modi
Managing Director

Sanjiwan Sahni
K.S. Bains
Neeraj Sharma
Directors

S.K. Bajpai
Head – Legal &
Company Secretary

Date : 28.05.2014
Place : New Delhi

Kamal Gupta
Head – Finance & Accounts

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES

1 . Name of the Subsidiary Companies	Superior Investment (India) Ltd.	Spin Investment (India) Ltd.	Modistone Ltd.*
2 . Number of shares held in the Subsidiary Companies	29,915 Equity Shares of Rs. 100/- each fully paid	29,915 Equity Shares of Rs. 100/- each fully paid	1,14,75,000 Equity Shares of Rs. 10/- each fully paid
3 . Percentage of holding in the Subsidiary Companies	100%	100%	55.32%
4 . Financial year ended	31.03.2014	31.03.2014	-
5 . Profits/(Losses) of the subsidiary Companies for their financial year so far as they concern the members of Modi Rubber Limited which have not been dealt within the accounts of Modi Rubber Limited for the period ended 31.03.2014	Rs./ Lacs	Rs./ Lacs	Rs./ Lacs*
For the Period	50.09	259.74	--
For the Previous year	31.10	198.17	--
6 . The net aggregate of Profit/(Losses) of the Subsidiary Companies which have been dealt within the accounts of Modi Rubber Limited for the period ended 31.03.2014			
For the period	N.A.	N.A.	N.A.
For the Previous year	N.A.	N.A.	N.A.

* As per order of Mumbai High Court the company has been wound up and in liquidation proceedings an Official Liquidator has been appointed on 25.07.2002. Therefore, the Annual Accounts of Modistone Limited after the accounting year ended 30.09.2001 are not available.

Alok Modi
Managing Director

S.K. Bajpai
Head – Legal &
Company Secretary

Sanjiwan Sahni
K.S. Bains
Neeraj Sharma
Directors

Kamal Gupta
Head – Finance & Accounts

Date : 28.05.2014
Place : New Delhi



INDEPENDENT AUDITORS' REPORT

on the Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF MODI RUBBER LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Modi Rubber Limited ("the Company"), subsidiaries and joint venture (collectively referred as the "Group") which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and 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 Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards 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 disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, we report that subject to:-

- i) Serial No. E6 of Note No. 27 regarding non availability of information of unpaid balances to Micro, Small and Medium Enterprises;

- ii) Serial No. E10 of Note No. 27 regarding non ascertainment of value of intangible assets and value of impairment loss on Assets as per AS 26 & 28 respectively;

the total impact of which, is presently not ascertainable, the aforesaid consolidated financial statements give the information required by the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- a) In the case of the consolidated Balance Sheet, of the state of affairs of the group as at March 31, 2014;
- b) In the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date and;
- c) In the case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Matter

We did not audit the financial statements of subsidiaries whose financial statements reflect total assets of Rs. 9,270.33. lacs as at 31st March, 2014 and total revenues of Rs. 281.74 lacs and net cash flows amounting to Rs. 116.17 lacs for the year ended on that date. These financial statements have been audited by respective auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

We did not audit the financial statements of Joint Venture Company whose financial statements reflect, on proportional basis total assets of Rs. 1505.48 lacs as at 31st March, 2014 and total revenues of Rs. 112.08 lacs and net cash flows amounting to Rs. 1293.74 lacs for the year ended on that date. Consolidation in respect of Joint Venture Company is done on the basis of unaudited/provisional financial statements provided by the management (Refer S.No. E1 of Note No. 27 of the Consolidated Balance Sheet).

We report that the consolidated financial statements have been prepared by the Company 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", issued by the Institute of Chartered Accountants of India.

For **P D M and Company**

Chartered Accountants
(Firm's Reg. No. 007966N)

CA. Prabhat Jain

Partner
(M. No. 086756)

Place : New Delhi
Date : 28.05.2014

BALANCE SHEET (CONSOLIDATED)

AS AT 31ST MARCH, 2014

PARTICULARS	Note No.	As at	As at
		31.03.2014	31.03.2013
		Rs. Lacs	Rs. Lacs
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	1	2504.05	2504.05
(b) Reserves and Surplus	2	17898.07	17460.53
		20402.12	19964.58
2. Non-Current Liabilities			
(a) Long-Term Borrowings	3	32.19	40.62
(b) Other Long Term Liabilities	4	54.99	48.10
		87.18	88.72
3. Current Liabilities			
(a) Short-Term Borrowings	5	250.00	470.00
(b) Trade Payables	6	447.33	447.33
(c) Other Current Liabilities	7	3696.89	4422.48
		4394.22	5339.81
	TOTAL	24883.52	25393.11
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	8		
i) Tangible Assets		1533.91	1528.79
ii) Intangible Assets		0.47	0.08
iii) Capital work -in- progress		14.13	0.00
(b) Non-Current Investments	9	7270.70	8683.71
(c) Deferred Tax Assets (Net)	10	1742.80	1993.53
(d) Long-Term Loans and Advances	11	483.72	340.76
(e) Other Non Current Assets	12	4369.55	4290.27
		15415.28	16837.14
2. Current Assets			
(a) Current Investments	13	5258.97	4184.00
(b) Inventories	14	80.49	75.42
(c) Trade Receivables	15	6.22	6.80
(d) Cash and Bank Balances	16	1786.64	1013.98
(e) Short-Term Loans and Advances	17	2305.76	3257.84
(f) Other Current Assets	18	30.16	17.93
		9468.24	8555.97
	TOTAL	24883.52	25393.11
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
Partner
M.No. 086756

Alok Modi
Managing Director

Sanjiwan Sahni
K.S. Bains
Neeraj Sharma
Directors

S.K. Bajpai
Head – Legal &
Company Secretary

Kamal Gupta
Head – Finance & Accounts

Date : 28.05.2014
Place : New Delhi



STATEMENT OF PROFIT AND LOSS ACCOUNT (CONSOLIDATED)

FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	Note No.	Year ended	Period ended
		31.03.2014	31.03.2013
		Rs. Lacs	Rs. Lacs
INCOME			
Revenue from Operations	19	452.91	990.25
Other Income	20	2219.23	4775.10
TOTAL		2672.14	5765.35
EXPENSES			
Cost of Material Consumed	21	9.14	0.00
Change in Inventories of Finished Goods, Work in Progress and Stock in Trade	22	(0.87)	0.00
Employee Benefits Expense	23	402.86	474.28
Finance Costs	24	4.55	4.88
Depreciation and Amortization Expense	8	119.79	177.75
Other Expenses	25	1536.96	1969.44
TOTAL		2072.43	2626.35
PROFIT BEFORE TAX		599.71	3139.00
Tax Expense			
Current Tax	26	(102.09)	784.83
Deferred Tax		250.73	(524.64)
PROFIT FOR THE YEAR		451.07	2878.81
Basic and Diluted Earning Per Equity Share (in Rupees) (Not Annualised)		1.80	11.50
Significant Accounting Policies and Notes on Financial Statements	1-27		

Date : 28.05.2014
Place : New Delhi

As per our Report Attached
For P D M and Company
(Firm Registration No. 07966N)
Chartered Accountants
CA. Prabhat Jain
Partner
M.No. 086756

Alok Modi
Managing Director

Sanjiwan Sahn
K.S. Bains
Neeraj Sharma
Directors

S.K. Bajpai
Head – Legal &
Company Secretary

Kamal Gupta
Head – Finance & Accounts

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
A. Cash Flow from operating activities		
Net Profit before tax and extraordinary items	599.71	3,139.00
Add: Adjustments for:		
Depreciation and Amortization	119.79	177.75
Interest Paid	4.55	4.88
Interest Income	(624.26)	(706.65)
Net(Profit)/Loss on Assets sold/discarded	90.53	(221.83)
Net(Profit)/Loss on Investments	(145.02)	(2,907.36)
Provision made for Gratuity	33.87	9.59
Provision made for sales tax liability	-	34.78
Provision made for creditors as per BIFR scheme	-	8.25
Provision made for doubtful debts and advances	-	10.00
Balances /Provisions not required Written off/(back) (Net)	(721.88)	324.62
Miscellaneous Income	-	(8.58)
Dividend Received	(672.15)	(708.50)
Operating profit/(Loss) before working capital changes	(1,314.86)	(844.05)
Adjustments for:		
(Increase)/Decrease in Current Assets	2,746.02	(2,817.33)
Increase/(Decrease) in Current Liabilities and Provisions	(1,893.76)	(296.12)
Cash generated from operations before tax	852.26	(3,113.45)
Add : Taxes (paid)/refund	(462.60)	(3,957.50)
Net cash generated from operating activities (A)	(100.89)	(803.13)
	(563.49)	(4,760.63)
B. Cash flow from investing activities:		
Interest Received	310.61	71.59
Dividend Received	672.15	708.50
(Increase)/Decrease in Fixed Deposit with Banks having maturity more than 3 months	(519.96)	(130.82)
Additions to Fixed assets	(216.32)	(112.56)
Proceeds from Sale of Fixed Assets	0.49	245.07
Change in Capital Work - in -Progress	(12.38)	-
Purchase of Investment	(24,694.88)	(5,959.55)
Proceeds from Sale of Investments	23,707.94	9,787.24
Net cash generated from investing activities (B)	(752.35)	4,609.47
C. Cash Flow from financing activities:		
Increase/(Decrease) in Borrowings	(8.43)	28.58
Increase/(Decrease) Other Non Current Liabilities	6.89	-
Interest paid	(4.57)	(2.89)
Net cash used in financing activities (C)	(6.11)	25.69
Net increase/(decrease) in cash and cash equivalent(A+B+C)	(1,321.95)	(125.47)
Cash and cash equivalents as at the beginning of the year	252.52	377.99
Add: Adjustment of Opening balance of new Joint Venture	1,404.48	0.00
	1,657.00	377.99
Cash and cash equivalents as at the end of the year	335.05	252.52

NOTES: 1. Cash and Cash equivalents includes.

Cash on Hand	3.21	1.67
Balance with Banks in:		
- Current Accounts	201.95	250.85
- Cheque in Hand	29.84	0.00
- Fixed Deposits maturing within 3 months	100.05	0.00
TOTAL	335.05	252.52

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

Date : 28.05.2014
Place : New Delhi

As per our Report Attached
For P D M and Company
(Firm Registration No. 07966N)
Chartered Accountants
CA. Prabhat Jain
Partner
M.No. 086756

Alok Modi
Managing Director

Sanjiwan Sahnii
K.S. Bains
Neeraj Sharma
Directors

S.K. Bajpai
Head – Legal &
Company Secretary

Kamal Gupta
Head – Finance & Accounts



SHARE CAPITAL NOTE-1

PARTICULARS	As at	As at
	31.03.2014	31.03.2013
	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	0.00	0.00
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
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
a. Capital Reserve		
(On Forfeiture/re-issue of Debentures)		
At the commencement/end of the year	19.26	19.26
b. Security Premium Reserve		
At the commencement/end of the year	5782.32	5782.32
c. General Reserve		
At the commencement/end of the year	903.16	903.16
d. Surplus/(Deficit) in Statement of Profit and Loss		
At the commencement of the year	10755.79	7876.98
Add/(Less): Opening Balance Adjustment for for new Joint Venture	(13.53)	0.00
Add: Profit for the year	451.07	2878.81
At the end of the year	11193.33	10755.79
TOTAL	17898.07	17460.53

LONG-TERM BORROWINGS

Note-3

PARTICULARS	As at	As at
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Secured Term Loan from:		
- Bank*	0.00	38.00
- Other**	40.62	10.31
Less: Current Maturities of Long-Term Debt	(8.43)	(7.69)
TOTAL	32.19	40.62

* Secured by hypothecation of a Vehicle. Repayable in equated monthly instalment of Rs. 62,595 each (including interest). Final instalment due in March, 2020.

** Secured by hypothecation of a Vehicle. Repayable in equated monthly instalment of Rs. 37,368 each (including interest). Final instalment due in October, 2015.

OTHER LONG TERM LIABILITIES

Note-4

PARTICULARS	As at	As at
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Security Deposit	54.99	48.10
TOTAL	54.99	48.10

SHORT-TERM BORROWINGS

Note-5

PARTICULARS	As at	As at
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Loans and Advances from Related Parties (Unsecured)*	0.00	220.00
Other Loans and Advances (Unsecured)		
- Inter Corporate Deposits**	250.00	250.00
TOTAL	250.00	470.00

* Interest free

** 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
	31.03.2014	31.03.2013
	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) i.e 20% of Rs. 683.10 lacs as per settlement terms defined in BIFR SS08 towards lease rent payable to M/s Modi Exports Processors Ltd. (MEPL) for the period January, 2002 to September, 2007. Further no liability towards lease rent has been provided after September, 2007 since the premises are sealed by the Official Liquidator of MEPL. Legal recourse for re possession of plant is being actively followed. The matter is pending before Allahbad 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 Court.

OTHER CURRENT LIABILITIES

Note-7

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Current Maturities of Long-Term Debt	8.43	7.69
Sundry Creditors	245.34	289.27
Expenses Payable	106.48	123.54
Duties and Taxes	2685.32	3383.28
Security Deposits	9.31	9.31
Gratuity Payable	267.01	233.14
Compensation Payable to Employees	375.00	376.25
TOTAL	3696.89	4422.48

FIXED ASSETS NOTE - 8

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.2013	Additions during the Year	Adjustments/ Deductions during the Year	As At 31.03.2014	Upto 31.03.2013	For the Year	Adjustments/ Deductions	Upto 31.03.2014	As At 31.03.2014	As At 31.03.2013
	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	100.28	0.00	287.04	0.00	0.00	0.00	0.00	287.04	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	3354.03	0.00	356.23	2997.80	2627.05	38.59	303.96	2361.68	636.12	726.98
Plant & Machinery	3591.45	50.88	0.00	3642.33	3318.31	34.75	0.00	3353.06	289.27	273.14
Furniture, Office Equipments & Electrical Installations etc.	2139.49	64.71	1793.37	410.83	2010.11	24.45	1755.45	279.11	131.72	129.38
Vehicles	292.88	0.00	162.55	130.33	207.88	21.94	161.72	68.10	62.23	85.00
TOTAL (A)	9692.14	215.87	2312.15	7595.86	8163.35	119.73	2221.13	6061.95	1533.91	1528.79
Previous Period	9654.35	112.56	74.77	9692.14	8037.13	177.76	51.54	8163.35	1528.79	1617.22
Intangible Assets										
Software	0.00	0.45	0.00	0.45	0.00	0.06	0.00	0.06	0.39	0.00
Patent & Trade Marks	0.08	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.08	0.08
TOTAL (B)	0.08	0.45	0.00	0.53	0.00	0.06	0.00	0.06	0.47	0.08
Previous Period	0.08	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.08	0.08
GRAND TOTAL (A+B)	9692.22	216.32	2312.15	7596.39	8163.35	119.79	2221.13	6062.01	1534.38	1528.87
Previous Period	9654.43	112.56	74.77	9692.22	8037.13	177.76	51.54	8163.35	1528.87	1617.30

NOTE:

Building Includes :-

- On leasehold basis	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

Rs.lacs



NON-CURRENT INVESTMENTS

Note-9

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
A. Investment In Equity Instruments- Fully paid up		
Quoted		
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
4400 Housing Development Finance Corpo. Ltd. Of Rs. 2 each (4400)	0.06	0.06
1 Coal India of Rs. 10/- each (Nil)	0.01	0.01
184000 Sun Pharmaceutical Industries Ltd. of Rs. 10 each (Bonus Shares) (Nil)	0.00	0.00
SUB TOTAL	87.87	87.87
Unquoted		
Trade Investments		
11475000 Modistone Ltd. of Rs. 10 each* (11475000)	2137.50 (2137.50)	2137.50 (2137.50)
33350000 Gujarat Guardian Ltd. of Rs. 10 each (33350000)	3335.00	3335.00
Share Application Money in Asahi Modi Material (Pvt) Ltd.	0.00	1469.00
6000000 Mod Fashions & Securities Pvt. Ltd. of Rs. 10/- each (6000000)	3000.00	3000.00
299900 Vinura Beverage Pvt. Ltd. Of Rs. 10 each (Nil)	29.99	0.00
Other Investments		
3233000 Xerox India Ltd.of Rs. 10 each (3233000)	468.80	468.80
1250000 Spark Plug Ltd. of Rs. 10 each (1250000)	125.00 (125.00)	125.00 (125.00)
96000 Modi Carpets Ltd. of Rs. 10/- each (96000)	6.19	6.19
9000 Licensintorg Co. (I) Pvt. Ltd. of Rs. 10/- each (9000)	9.00	9.00
11550 Kesha Processors Ltd. (Formerly known as Chic Creation(I) Ltd.) of Rs. 10/- each (11550)	1.05	1.05
10 Indo Euro Industries Ltd. of Rs.10/- each (10)	0.01	0.01
SUB TOTAL	6850.04	8289.05
SUB TOTAL (A)	6937.91	8376.92

PARTICULARS	As At 31.03.2014	As At 31.03.2013
	Rs. Lacs	Rs. Lacs
B. Investment In Government or Trust Securities		
Unquoted		
Other Investments		
12.30% Central Government Stock, 2016	14.00	0.00
12.60% Central Government Stock, 2018	12.00	0.00
SUB TOTAL (B)	<u>26.00</u>	<u>-</u>
C. Investment in Debentures/ Bonds -Fully Paid up		
Quoted		
Other Investments		
No.of Units/Bonds		
2500 Prudential ICICI Technology Fund (2500)	0.25	0.25
10875 Tax Free , Secured , Redeemable, Non-Convertible Bonds of Indian Railway Finance Corporation Ltd. of Rs. 1000/- each fully paid up for 15 Years (10875)	108.75	108.75
19779 Tax Free, Secured, Redeemable, Non Convertible Bonds of National Highway Authority of India of Rs. 1000/- each for 10 Years (19779)	197.79	197.79
SUB TOTAL (C)	<u>306.79</u>	<u>306.79</u>
D. Investment in Mutual Funds -Fully Paid up		
Quoted		
Other Investments		
Nil Tata Income Fund (Bonus Units) (3687675)	0.00	0.00
SUB TOTAL (D)	<u>0.00</u>	<u>0.00</u>
TOTAL (A+B+C+D)	<u>7270.70</u>	<u>8683.71</u>
Aggregate Value of Quoted Investments	394.66	394.66
Aggregate Market Value of Quoted Investments	1454.99	792.76
Aggregate Gross Value of Unquoted Investments	9138.54	10551.55
Aggregate Value of Provision for Dimunition in Value of Unquoted Investments	2262.50	2262.50
Aggregate Net Value of Unquoted Investments	6876.04	8289.05

Figures in brackets are in respect of previous year

* Subsidiary Company

DEFERRED TAX ASSETS (Net)

Note-10

PARTICULARS	As At 31.03.2014	As At 31.03.2013
	Rs. Lacs	Rs. Lacs
Deferred Tax Asset		
Carried Forward Business Losses/Unabsorbed Depreciation	1190.62	1136.46
Duties and Taxes	720.55	1089.22
Others	92.10	81.24
Deferred Tax Liability		
Depreciation and Amortisation of Fixed Assets	(260.47)	(313.39)
TOTAL	<u>1742.80</u>	<u>1993.53</u>



LONG-TERM LOANS AND ADVANCES

Note-11

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
(unsecured, considered good unless otherwise specified)		
Security Deposits	11.36	12.48
Other Loans and Advances	40.44	40.44
Less: Provision for Doubtful Advances	(10.00)	(10.00)
MAT Credit Entitlement	441.92	297.84
TOTAL	483.72	340.76

OTHER NON CURRENT ASSETS

Note-12

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Balances with Banks		
- in Fixed Deposits with maturity more than 12 months * (including interest accrued)	4369.55	4290.27
TOTAL	4369.55	4290.27
* Includes:-		
In Escrow Accounts**	2467.82	2426.92
Against Guarantee	1445.54	1434.33
As Margin Money	456.19	429.02

CURRENT INVESTMENT

Note-13

PARTICULARS	As At 31.03.2014	As At 31.03.2013	
	Rs. Lacs	Rs. Lacs	
I. Investment in Mutual Funds -Fully Paid up			
Quoted			
Other Investments			
No. of Units			
2403810.595	Baroda Pioneer PSU Bond Fund -Plan A (Growth)	325.00	0.00
	(Nil)		
34527.399	Baroda Pioneer Treasury Advantage Fund -Plan B (Growth)	500.00	0.00
	(Nil)		
1158406.265	Reliance Quarterly Interval Fund Series II	200.00	0.00
	(Nil)		
13902.569	ICICI Prudential Liquid -Regular Plan (Growth)	20.00	0.00
	(Nil)		
10154.422	SBI Premier Liquid Fund-Regular plan (Growth)	200.00	0.00
	(Nil)		
2626133.176	Reliance FRF ST (Growth)	500.00	0.00
	(Nil)		
3876660.000	ICICI Pru - Interval(Q) Interval Plan III (Growth)	500.00	0.00
	(Nil)		
3976712.859	Morgan Stanley - Active Bond Fund Reg (Growth)	500.00	0.00
	(Nil)		
3110187.731	Reliance - Reg Saving Debt Plan (Growth)	500.00	0.00
	(Nil)		
41819.991	Templeton - India ST Income Plan Ret (Growth)	1000.00	0.00
	(Nil)		
12704.477	Baroda Pioneer - Treasury Advantage Fund Inst (Growth)	175.00	0.00
	(Nil)		
2848369.878	Sundaram - Ultra STF Reg (Growth)	500.00	0.00
	(Nil)		
3250000	Reliance FHF XXVI SR1	325.00	0.00
	(Nil)		
746.034	Reliance Liquid Fund -TP-GP - GO	13.97	235.00
(9097.404)			
Nil	DWS Ultra Short Term Fund - Annual (Bonus)	0.00	0.00
(4187211.920)			
Nil	Baroda Pioneer Liquid Fund Plan A (Growth)	0.00	550.00
(40954.770)			
Nil	JP Morgan Short Term Income Fund Regular	0.00	499.00
(4397095.6258)			
Nil	JP Morgan Short Term Income Fund Regular	0.00	475.00
(4175603.9242)			
Nil	JP Morgan Short Term Income Fund Regular	0.00	425.00
(3721573.7441)			
Nil	Kotak Bond Scheme Plan A (Growth)	0.00	500.00
(1583807.156)			
Nil	Pramerica Treasury Advantage Fund (Growth)	0.00	1000.00
(90767.691)			
Nil	SBI Premier Liquid Fund - Regular Plan (Growth)	0.00	500.00
(27162.008)			
	TOTAL	5258.97	4184.00



INVENTORIES

Note-14

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
(As taken, valued and certified by the management)		
Raw Materials	9.85	5.65
Finished Goods	1.82	0.95
Stores, Spare Parts and Loose Tools	68.82	68.82
TOTAL	80.49	75.42

TRADE RECEIVABLES

Note-15

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	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	0.25	0.25
- others	5.97	6.55
TOTAL	6.22	6.80

CASH AND BANK BALANCES

Note-16

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	201.95	230.85
in Fixed Deposits with maturity within 3 months	100.05	0.00
Cheque in hand	29.84	20.00
Cash on hand	3.21	1.67
SUB TOTAL (A)	335.05	252.52
Other Bank Balances		
Balances with Banks		
in Fixed Deposits with maturity more than 3 months but not exceeding 12 months (including interest accrued)*	1451.59	761.46
SUB TOTAL (B)	1451.59	761.46
TOTAL (A+B)	1786.64	1013.98

* Includes:-

- In Escrow Accounts
- Against Guarantee

74.72

82.37

SHORT-TERM LOANS AND ADVANCES

Note-17

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
(unsecured, considered good unless otherwise specified)		
Loans and Advances to Related Parties *	998.04	351.70
Security Deposits	4.45	0.00
Sales Tax Paid Under Protest/Recoverable	40.23	45.97
Income-Tax /Wealth Tax (net of provisions)	409.13	343.61
Advances to Suppliers	240.52	1986.02
Other Claims Recoverable	250.38	189.90
Staff Advances	12.29	12.97
Less:Provision for doubtful advances	(7.46)	(7.46)
MAT Credit Entitlement	358.18	335.13
TOTAL	2305.76	3257.84
*Includes:-		
1. Due from an Associate Company against expenses		
- Gujarat Guardian Ltd.	1.64	1.70
2. Due from Companies under the same management		
- Uniglobe Mod Travels Pvt. Ltd.	652.86	200.00
- Uniglobe Travel South Asia Pvt. Ltd.	106.28	100.00
- Vinura Beverages Pvt. Ltd.	237.26	50.00

OTHER CURRENT ASSETS

Note-18

PARTICULARS	As At	As At
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Interest accrued but not due	30.16	17.93
TOTAL	30.16	17.93

REVENUE FROM OPERATIONS

NOTE - 19

PARTICULARS	Year Ended	Period Ended
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Sale of Product	6.00	0.00
Other Operating Revenue		
- Non Compete Fees	0.00	409.68
- Others	446.91	580.57
TOTAL	452.91	990.25



OTHER INCOME NOTE - 20

PARTICULARS	Year Ended	Period Ended
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Interest Income	624.26	706.65
Dividend Income	672.15	708.50
Net Gain/Loss on Sale of Investments	145.02	2910.51
Net Gain/(Loss) on Commodity Exchange	55.21	215.20
Profit on Sale of Fixed Assets (Net)	0.00	221.83
Excess Liabilities/Provisions/Sundry Balances Written Back/Off (Net)	720.74	0.00
Miscellaneous Income	1.85	12.41
TOTAL	2219.23	4775.10

COST OF MATERIAL CONSUMED NOTE - 21

PARTICULARS	Year Ended	Period Ended
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Raw Materials Consumed/Sold		
Opening Stock	5.65	5.65
Add: Purchases and Direct Expenses	13.35	0.00
	19.00	5.65
Less : Closing Stock	9.86	5.65
TOTAL	9.14	0.00

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE NOTE - 22

PARTICULARS	Year Ended	Period Ended
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Decrease/(Increase) in Finished Goods:		
Opening Stock	0.95	0.95
Less : Closing Stock	1.82	0.95
TOTAL	(0.87)	0.00

EMPLOYEE BENEFITS EXPENSE NOTE - 23

PARTICULARS	Year Ended	Period Ended
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Salaries, Incentives and Allowances	311.19	395.43
Contributions to Provident and Other Funds	45.69	25.01
Staff Welfare Expense	45.98	53.84
TOTAL	402.86	474.28

FINANCE COSTS NOTE - 24

PARTICULARS	Year Ended	Period Ended
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Interest on Borrowings	4.55	4.88
TOTAL	4.55	4.88

OTHER EXPENSES NOTE - 25

ARTICULARS	Year Ended	Period Ended
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Rent	42.85	46.76
Repair & Maintenance to Buildings	430.70	424.23
Repairs & Maintenance to Other Assets	45.55	44.93
Insurance	7.60	7.50
Rates & Taxes	35.59	74.48
Auditors' Remuneration:		
Audit Fee	7.27	9.27
For Certificates etc.	1.99	3.35
For Other matters	0.00	0.95
For Expenses	0.65	0.63
Legal & Professional Charges	293.18	403.62
Travelling & Conveyance	156.53	145.48
Electricity & Water	86.40	72.83
Vehicle Expenses	18.71	13.88
Communication Expenses	15.84	19.29
Excess Liabilities/Provisions/Sundry Balances Written Off/Back (Net)	0.00	363.83
Loss on Assets Sold/Discarded/Written off	90.53	0.00
Sales Tax Paid/Provided	1.58	51.65
Charges General	125.89	148.19
Business Promotion Expenses	14.21	13.24
Excise Duty Paid	89.34	0.00
Provision for Doubtful Loan	0.00	10.00
Pre Operative Expense	1.47	0.00
Miscellaneous Expenses	71.08	115.33
TOTAL	1536.96	1969.44

CURRENT TAX NOTE - 26

PARTICULARS	Year Ended	Period Ended
	31.03.2014	31.03.2013
	Rs. Lacs	Rs. Lacs
Provision for:-		
- Income Tax	52.90	836.98
- Wealth Tax	12.15	18.50
MAT Credit Entitlement	(167.14)	(76.18)
Prior period Adjustments	0.00	5.53
TOTAL	(102.09)	784.83



SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2014

Note -27

A. BASIS OF PREPARATION

The Consolidated Financial Statements comprise the Financial Statements of Modi Rubber Limited (Parent Company), its Subsidiaries namely Superior Investment (India) Limited, Spin Investment (India) Limited incorporated in India in which Modi Rubber Limited holds 100% of their respective paid up Share Capital and its Joint Venture Company namely Asahi Modi Materials Private Limited incorporated in India in which Modi Rubber Limited holds 49% of its paid up Share Capital.

B. BASIS OF CONSOLIDATION

- 1
 - a) The financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down in Accounting Standard (AS – 21) “Consolidated Financial Statements”, Accounting Standard (AS-23) “Accounting for Investments in Associates in Consolidated Financial Statements” and Accounting Standard (AS-27) “Financial Reporting of Interests in Joint Ventures” issued by the Institute of Chartered Accountants of India.
 - b) In the case of subsidiaries, consolidated financial statements have been combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions.
 - c) In the case of joint venture, consolidation is done on the basis of proportional consolidation method considering venturer’s share of each of the assets, liabilities, income and expenses as separate line item after eliminating intra group balances.
 - d) As far as possible, the Consolidated Financial Statements have been prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are prepared to the extent possible, in the same manner as the parent company’s separate financial statements.
2. The Consolidated Financial Statements comprise the financial statements of Modi Rubber Limited and its subsidiaries and its Joint Venture Company as on 31.03.2014 which are as under:

Name of the Subsidiary, Associate Company and Joint Venture	Financial year ending on	Extent of Holding Company’s interest	Country of incorporation
i) Spin Investment (India) Ltd.	31 st March 2014	100%	India
ii) Superior Investment (India) Ltd.	31 st March 2014	100%	India
iii) 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.			
iv) Asahi Modi Materials Pvt. Ltd.	31 st March 2014	49%	India

C. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statement

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention on accrual basis, except in case of certain items of Income/Expenditure where recovery/payment is uncertain. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable), 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 At weighted average cost
 - (b) Goods-in-process Lower of Cost or net realisable value.
 - (c) Finished Goods Lower of Cost or net realisable value.
 - (d) Stores, Spares Parts and Loose Tools At weighted average cost.
 - (e) Scrap and Wastage At estimated selling price.

In respect of Finished goods and Goods in process, the cost is determined by considering material, related labour & overheads and duty thereon.
4. Depreciation

Plant and Machinery on straight-line method and other Fixed Assets on reducing balance method at the rates specified in Schedule XIV of the Companies Act, 1956. Plant and Machinery are depreciated to the extent of 95% of its gross value considering the shelf life of 18 years.

Plant and Machinery relating to the Joint Venture Company are depreciated on reducing balance method at the rates specified in Schedule XIV of the Companies Act, 1956.
5. Sales/Other Incomes

Sales comprise sale of goods, net of trade discount and include excise duty but exclude goods despatched pending for retirement where the titles of the goods remain with the company till retirement of documents.

Other Incomes are recognized on accrual basis.
6. 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.
7. 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.
8. 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.
9. Investments
 - a) Investments are stated at Cost (FIFO basis).
 - b) In respect of investment of a long-term nature (including in subsidiaries), provision is made for any diminution in the value wherever it is permanent in nature.
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:
- Contributions to Provident Fund are accounted on accrual basis with corresponding contribution to recognised funds for staff on actual duty.
 - 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:
- a present obligation from the past event when it is not probable that an outflow of resources will be required to settle the obligation;
 - a possible obligation, unless the probability of outflow is remote;
- Contingent assets are not recognised in the financial statements.

D. CONTINGENT LIABILITIES

	As At 31/03/2014 Rs. Lacs	As At 31/03/2013 Rs. Lacs
1. Guarantees/Bonds (Unconfirmed)	2393.38	2393.38
2. Excise /Customs /DGFT Matters	2372.00	1853.97
3. Others	3397.75	2776.06

E. NOTES

- Due to non availability of audited financial statements for the year ended 31/03/2014 of the Joint Venture Company namely "Asahi Modi Materials Pvt. Ltd.," consolidation of the said Joint Venture Company has been carried out on the basis of provisional financial statements.
- 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.
 - 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, 2014 with BIFR on 26.05.2014.
- 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 carry out repair work to make MTF functional at the earliest.
- Provision for Income Tax is computed in accordance with the provisions of the Income Tax Act, 1961.
 - Provision for Wealth Tax is computed in accordance with the provision of the Wealth Tax Act, 1957.
 - 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.
- Expenses and claims relating to previous years adjusted in respective accounts not separately shown are Rs. 19.30 lacs [previous year Rs.17.32 lacs].
- 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.

7. Earning per Share :

	Year Ended 31/03/2014	Period Ended 31/03/2013
Profit after Tax (Rs. Lacs)	451.07	2878.81
Basic number of equity shares	25040532	25040532
Basic earning per share (Rs.) (Not Annualised)	1.80	11.50

8. 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.

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

		% Holding
A) Associates:		
1	Gujarat Guardian Ltd.	21.24
B) Key Management Personnel:		
1	Mr. Alok Kumar Modi-Managing Director (No remuneration to Key Management Personnel during the year)	
C) 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)	
5	Ms. Piya Modi (Daughter of Mr. Alok Kumar Modi)	
D) 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	Vinura Beverages Pvt. Ltd.	

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

		31/03/2014	31/03/2013
A) Associates:			
i)	Income Received	671.00	670.65
ii)	Expenses incurred on behalf of the Associates	14.57	5.10
iii)	Transfer of Assets/Liabilities (Net)	685.63	674.05
iv)	Receivable at the year end	1.64	1.70
B) Others:			
i)	Income Received	36.56	Nil
ii)	Transfer of Assets/Liabilities (Net)	825.13	70.15
iii)	Expenses incurred on behalf of the company (Net)	26.87	122.37
iv)	Payable/(Receivable) at the year end	(999.97)	(165.15)



10. 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.

11. 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 Provident Fund Trust and / or 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, 2014

		31/03/2014 Rs. Lacs	31/03/2013 Rs. Lacs
(a)	Contribution to Provident Fund	10.44	13.17
(b)	Contribution to Employee Pension Scheme 1995	1.38	2.26

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.

Defined Benefit Obligation (Gratuity)

		Rs. Lacs	Rs. Lacs
		31/03/2014	31/03/2013
A.	The amounts (in Rs.) recognised in the balance sheet are as follows:		
	Present value of funded obligations	124.42	131.55
	Fair value of plan assets	128.14	134.23
	Present value of unfunded obligations	Nil	Nil
	Unrecognised past service cost	Nil	Nil
	Unrecognised Actuarial loss	Nil	Nil
	Amounts in the balance sheet:		
	Liabilities	124.42	131.55
	Assets	128.14	134.23
	Net liability (Asset)	(3.72)	(2.68)

B.	The amounts (in Rs.) recognised in the statement of profit and loss are as follows:		
	Current service cost	3.16	3.72
	Interest on obligation	10.13	15.09
	Expected return on plan assets	(11.78)	(19.07)
	Net actuarial losses (gains) recognised in year ended	(2.55)	22.20
	Past service cost	Nil	Nil
	Losses (gains) on curtailments and settlement	Nil	Nil
	Total, included in 'employee benefit expense'	(1.04)	21.94
C.	Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:		
	Opening Defined Benefit Obligation	131.55	135.45
	Service cost for the year	3.16	3.72
	Interest cost for the year	10.13	15.09
	Actuarial losses (gains)	(13.65)	4.33
	Losses (gains) on curtailments	Nil	Nil
	Liabilities extinguished on settlements	Nil	Nil
	Liabilities assumed in an amalgamation in the nature of purchase	Nil	Nil
	Exchange differences on foreign plans	Nil	Nil
	Benefits Paid	(6.77)	(27.04)
	Closing defined benefit obligation 31-03-2014	124.42	131.55
D.	Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:		
	Opening fair value of plan assets as on	134.24	31.00
	Adjustment to the fund	Nil	118.47
	Expected return on mean fund	11.77	19.07
	Actuarial gains and (losses)	(11.10)	(17.87)
	Assets distributed on settlements	Nil	Nil
	Contribution by employer	Nil	10.60
	Assets acquired in an amalgamation in the nature of purchase	Nil	Nil
	Exchange differences on foreign plans	Nil	Nil
	Benefits paid	(6.77)	(27.03)
	Closing balance of fair value of plan assets as on	128.14	134.24
E.	Gratuity Benefit		
	Amount for the current periods are as follows:		
	Defined Benefit Obligation	124.42	131.55
	Plan assets	128.14	134.24

	Surplus / (deficit)	3.72	2.68
	Experience adjustments on plan liabilities	(9.33)	2.72
	Actuarial Loss/(Gain) due to change in assumptions	(4.31)	Nil
	Experience adjustments on plan assets	11.10	17.87
	Past Service Cost	NIL	NIL
G.	The major categories of plan assets as a percentage of total plan assets are as follows:		
	Government of India Securities	0%	0%
	High quality corporate bonds	0%	0%
	Equity shares of listed companies	0%	0%
	Property	0%	0%
	Policy of insurance	100%	100%
	Bank Balance	0%	0%
H.	Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):		
	Discount rate as at 31/03/2014	8.80%	7.90%
	Expected return on plan assets at 31-03-2014	9.00%	9.00%
	Proportion of employees opting for early retirement	Nil	Nil
	Annual increase in Salary costs	5.25%	5.25%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

12. Expenditure in foreign currency:-

	Year Ended 31/03/2014	Period Ended 31/03/2013
Travelling Expenses (Rs. In Lacs)	41.46	43.09

13. In case of one of the subsidiary Company, the Income-Tax Department raised demand of Rs. 42,72,275 /- as per Intimation u/s 143(1) of Income Tax Act, 1961 for assessment year 2009-10. The Department rejected Company's rectification petition for excess interest charged, Company's appeal filed before the Commissioner of Income Tax (Appeals) against the rejection order has not been disposed off. Provision has been made in the books on the basis of interest calculated by Company and balance interest amounting to Rs. 31,14,671/- has been paid. Further Provision, if any will be made in the books of accounts on disposal of the appeal.
14. In case of one of the subsidiary Company, the Income-Tax Department raised demand of Rs. 3,45,166 on completion of Assessment for Assessment Year 2006-07 (Set aside assessment) vide order dt. 04.01.2013. The Department has not allowed credit of amount paid Rs. 2,39,720 on Completion of original assessment. Company's appeal filed against above order has not been disposed off. Provision for tax, if any will be made on disposal of appeal by Appellate authorities.
15. In case of one of the subsidiary Company, the Income-Tax Department raised demand of Rs. 35,458 /- as per Intimation u/s 143(1) of Income Tax Act, 1961 for assessment year 2012-13 as against refund of Rs. 16,50,556 claimed in Return of Income. The Department rejected Company's rectification petition filed against wrong calculation of MAT u/s 115JB vide order u/s 154 dt. 16.01.2014 Company's appeal filed before Commissioner of Income Tax(Appeals) against the rejection order has not been disposed off. Provision for Tax, if any will be made on disposal of appeal by Appellate authorities.
16. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act,

1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. The required information relating to Subsidiary Companies for the financial year concerned, as per the said notification, is given below:-

S. No.	PARTICULARS	Superior Investment (India) Ltd.	Spin Investment (India) Ltd.
		Rs. Lacs	Rs. Lacs
1	Capital	29.92	29.92
2	Reserves	411.82	6420.71
3	Total Assets	450.25	8820.08
4	Total Liabilities	8.51	2369.45
5	Investment	338.97	6937.38
6	Turnover	50.61	231.13
7	Profit Before Taxation	50.09	198.17
8	Provision for Taxation	1.60	(53.36)
9	Profit After Taxation	48.49	251.53

17. a) Previous year/period figures have been regrouped/rearranged wherever necessary.
b) Current year is of 12 months and previous period is of 18 months. Hence, current year figures are not comparable with those of previous period figures.
18. Note 1 to 27 form an integral part of the Balance Sheet and Statement of Profit and Loss and have been duly authenticated.

Date : 28.05.2014
Place : New Delhi

As per our Report Attached
For P D M and Company
(Firm Registration No. 07966N)
Chartered Accountants
CA. Prabhat Jain
Partner
M.No. 086756

Alok Modi
Managing Director

Sanjiwan Sahni
K.S. Bains
Neeraj Sharma
Directors

S.K. Bajpai
Head – Legal &
Company Secretary

Kamal Gupta
Head – Finance & Accounts

Modi Rubber Limited

CIN: L25199UP1971PLC003392

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

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

Website: www.modirubberlimited.com; Email: investors@modigroup.net Phone No. : +91-11-26848416, 26848417

41ST ANNUAL GENERAL MEETING ATTENDANCE SLIP

Folio No

Client ID No.....

No. of Shares

(To be filled in by the member)

I hereby record my presence at the 41ST ANNUAL GENERAL MEETING (AGM) of the Company being held at 11.30 A.M. at Auditorium, Dayawati Modi Public School, Modinagar-201204 (U.P.) on Tuesday, 30th September, 2014.

.....
Member's Signature

Notes :

1. A Member/Proxy attending the meeting must complete this Attendance Slip and hand it over at the entrance.
2. Member intending to appoint a Proxy, should complete the Proxy Form above and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the Meeting.

.....
Proxy's Signature

Modi Rubber Limited

CIN: L25199UP1971PLC003392

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

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

Website: www.modirubberlimited.com; Email: investors@modigroup.net Phone No. : +91-11-26848416, 26848417

E- VOTING PARTICULARS

EVSN(E-voting Sequence Number)	USER ID	PASSWORD/PIN

Modi Rubber Limited

CIN: L25199UP1971PLC003392

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

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

Website: www.modirubberlimited.com; Email: investors@modigroup.net Phone No. : +91-11-26848416, 26848417

PROXY FORM

Form No. MGT-11

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

Name of the members (s):.....

Registered office:

Email ID:

Folio No Client Id* DP ID*

I/we, being the member (s) of _____ shares of the Modi Rubber Limited, hereby appoint

1 Name:

Address:

E-mail Id:

Signature: _____ or failing him/her

2. Name:

Address:

E-mail Id:

Signature: _____ or failing him/her

3. Name:

Address:

E-mail Id:

Signature: _____ or failing him/her

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41st Annual General Meeting of the Company, to be held on Tuesday the 30th day of September 2014 at 11.30 AM at Dayawati Modi Public School Modinagar, Uttar Pradesh India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution (s)	For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and Profit & Loss Account for the year ended on that date together with the reports of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Sanjiwan Sahni (DIN 01050255) who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint Auditors and fix their remuneration by passing the following resolution as an Ordinary Resolution with or without modification (s):-		
Special Business			
4.	To appoint Mr. Kawaljit Singh Bains (DIN-01444259) , as an Independent Director		
5.	To appoint Mr. Neeraj Sharma (DIN-03077684), as an Independent Director		
6.	Appointment of Ms. Piya Modi (DIN-03623417) as Director of the Company		
7.	Appointment of Ms. Piya Modi (DIN-03623417) as Whole-time Director designated as Executive Director/Chief Executive office of the Company		

Signed this ;.....day of.....2014

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

.....
Signature of Member

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.**
- A member entitled to attend and vote is entitled to appoint a proxy to attend and on poll, to vote instead of himself/herself. A proxy need not be a member of the Company.
- Proxies on behalf of bodies corporate, associations, firms etc. must be supported by appropriate resolution/authority as applicable.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- Signature of member should be across a revenue stamp of Re.1/-

