



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

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

MODI RUBBER LIMITED

Registered Office: Modinagar-201 204 District Ghaziabad (Uttar Pradesh)
Corporate Office : 4-7C, DDA Shopping Centre, New Friends Colony, New Delhi-110 025
website : www.modirubberlimited.com Phone : +91-11-26848416
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 Sahni (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