



Modi Rubber Limited

42ND ANNUAL REPORT 2014-2015



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
Whole-Time Director

Sanjeev Kumar Bajpai
Head – Legal & Company Secretary

Kamal Gupta
Chief Finance Officer

REGISTERED OFFICE

Modinagar-201 204
District Ghaziabad (Uttar Pradesh)
CIN: L25199UP1971PLC003392
website : www.modirubberlimited.com
Phone : +91-11-26848416, 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 42nd Annual General Meeting of the members of **Modi Rubber Limited** ("the Company") will be held on Tuesday, the September 29, 2015 at 11:30 am at Auditorium, Dayawati Modi Public School, Modinagar-201204 (U.P) to transact the following businesses:

ORDINARY BUSINESSSES:

1. To consider and adopt:
 - (a) the audited financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2015.
2. To appoint a Director in place of Mr. Vinay Kumar Modi, who retires by rotation at this Annual General Meeting and, being eligible, has offered himself for re-appointment.
3. To ratify the appointment of the Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof), the appointment of M/s. PDM and Company, Chartered Accountants, (Firm Registration No 007966N) New Delhi, which has been approved at the Annual General Meeting held on September 30, 2014 for a term of 3 years, i.e. from the conclusion of the 41st Annual General Meeting until the conclusion of the 44th Annual General Meeting, be and is hereby ratified for the financial year 2015-16 and the Board of Directors/Committee of the Board be and is hereby authorised to fix their remuneration plus out of pocket expenses incurred by them in connection with statutory audit and/or continuous audit under the Companies Act, 2013.

SPECIAL BUSINESSSES:

4. To appoint Mr. Sanjiwan Sahni (DIN 01050255) as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sanjiwan Sahni (DIN 01050255), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office

of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 5 (five) year till the conclusion of the 47th Annual General Meeting."

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

Place: New Delhi

Date : 27 July, 2015

(S.K. Bajpai)

Head-Legal & Company Secretary

Membership Number- A10110

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

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 23.09.2015 to 29.09.2015 (both days inclusive).
3. **A MEMBER, ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HER SELF AND THE PROXY(IES) NEED NOT BE THE MEMBER(S) OF THE COMPANY.** The proxy form(s) duly completed and signed should reach the Company's Registered Office at Modinagar at-least 48 hours before the time fixed for the meeting.
4. The Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and the Register of Director and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the annual general meeting.
5. Members desirous of obtaining any information concerning the Accounts of the Company are requested to send their request at the 4/7C DDA Shopping Centre New Friends Colony, New Delhi- 110 025 Head Office of the Company atleast seven days before the date of the Meeting, so that the information required may be made available at the Meeting.
6. Members/proxies should fill the Attendance slip attach herewith for attending the meeting and bring their attendance slip alongwith their copy of the annual report to the meeting.
7. Corporate members are requested to send a duly certified copy of the Board resolution/authority letter, authorizing their representative(s) to attend and vote on their behalf at the meeting.
8. Members holding shares in dematerialized mode are requested to intimate all changes with respect to the change of address,



e-mail address, change in name etc, to the depository participant. These changes will be automatically reflected in the Company's records which will help in the Company to provide efficient and better service to the members.

9. Members holding shares in the physical form are requested to intimate changes with respect the change of address, e-mail address, change in name etc, immediately to the Company/ RTA.

10. Voting through electronic means:

In compliance with section 108 of the Companies Act, 2013 and rule 20 of the Companies(Management Administration) Rules, 2014, and clause 35 B of the Listing Agreement the Company is pleased to provide members facility to exercise their right to vote at the 42nd Annual General Meeting by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

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

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

- (i) Open email and open PDF file viz; "remote e-voting. pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Modi Rubber Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rashmikirt@gmail.com with a copy marked to evoting@nsdl.co.in

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

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (remote e-voting Event Number) USER ID PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

General Instructions:

- The remote e-voting period commences on 26th September, 2015 (9:00 am) and ends on 28th September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- The voting rights of shareholders shall be in proportion to their shares of the paid-up capital of the Company as on the cut-off date (record date) of 22/09/2015.
- If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22/09/2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or mas_serv@yahoo.com.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- A person, whose name is recorded in the register of members

or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

- The Company has appointed M/s Rashmi Saxena and Associates, Practicing Company Secretaries (C.P. No. 6938) as the scrutinizer for conducting the e-voting process in a fair and transparent manner.
 - The scrutinizer shall, within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in presence of at least 2 (two) witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour, against, if any, forthwith to the chairman of the Company.
 - The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared alongwith the scrutinizer's report shall be placed on the Company's Website www.modirubberlimited.com and on the website of NDSL within two (2) days of passing of the resolutions at the AGM of the Company.
 - Members may also note that the Notice of the 42nd Annual general meeting of the Company and the Annual report 2015 will be available on the Company's website for their download. The Physical copy of the aforesaid documents will also be available at the Company's corporate office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
11. Pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant rules made there under companies can serve annual reports and other communications through electronic mode to those members who have registers their e-mail address with the Company or with the Depository. Members who have not registers their e-mail address with the Company can now register the same by submitting the duly filled in "E-mail Registration Form" available on the website of the Company. Members holding shares in demat form are requested to register their e-mail address with the Depository Participant(s) only. Members of the Company, who have registered their email address, are entitled to receive such communication in physical for upon request. The Notice of annual general meeting and the copies of audited financial statements, directors report, auditors report etc, will also be displayed on the website (www.modirubberlimited.com) of the Company.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participant with whom they are maintain

their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Company.

13. 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 re-appointment and their brief profile forms part of the explanatory statement.
14. Kindly register your e-mail address and contact details with us, by writing to us addressed to the Secretarial department at our corporate office, or at our e-mail ID: Investors@modigroup.com. This will help us in prompt sending of notices, annual reports and other shareholder communications in electronic form.

INSPECTION OF DOCUMENTS

All material documents referred to in the Notice will be kept open for inspection by the members, at the Registered Office of the Company, from 11AM to 1 PM on all working days from 21st September 2015 upto the date of the AGM.

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

Place: New Delhi

Date : 27 July, 2015

(S.K. Bajpai)

Head-Legal & Company Secretary

Membership Number- A10110

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

STATEMENT IN RESPECT OF SPECIAL BUSINESSES PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (THE "ACT"):

The following Statement sets out all material facts relating to the special businesses mentioned in the accompanying Notice.

Item No. 4

Mr. Sanjiwan Sahni is a Non- Executive Independent Director of the Company. Mr. Sanjiwan Sahni was appointed by the Board of Directors of the Company w.e.f 26.08.2009. Mr. Sanjiwan Sahni is a Member of the Nomination and remuneration committee of the Company which was duly constituted on 08.08.2014.

Mr. Sanjiwan Sahni is a MBA from IIM Ahmedabad and has an expertise in Industry, finance and management.

Mr. Sanjiwan Sahni is a Director, whose period of office is liable to determination by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement

Mr. Sanjiwan Sahni being eligible offers himself for re-appointment as Independent Director of the Company for a period of 5 consecutive years. A notice has been received from a member proposing



Mr. Sanjiwan Sahni as a candidate for the office of director of the Company.

Mr. Sanjiwan Sahni 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. Sanjiwan Sahni 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. Sanjiwan Sahni as an Independent Director, for the approval by the Shareholders of the Company.

Except Mr. Sanjiwan Sahni (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.

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

Place: New Delhi
Date: 27 July, 2015

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

Information required under clause 49 of the Listing Agreement in respect of resolution No. 4 is given below:-

Particulars	Mr. Sanjiwan Sahni
Age(In years)	69
Qualification	MBA from IIM Ahemdabad
Expertise in specific functional areas	Industry, finance and management
Date of appointment on the Board of the Company	14.06.2008
Names of the Companies in which Directorships held	<ul style="list-style-type: none">• M/s Kusum Sahni Private Limited• M/s Sunflower Securities Private Limited• M/s Superior Investment India Limited
Names of other Companies in which Committee Membership/ Chairman-ship held	Nil
No. of shares held	Nil

DIRECTORS' REPORT

Your Directors present the 42nd Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2015.

IMPLEMENTATION STATUS OF BIFR SCHEME

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

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

1. Your Company has been very vigorously taking actions to get re-possession of Company's properties which were occupied by illegal occupants/Ex-Employees. Efforts include legal recourse, and also settlement as per BIFR Scheme wherever possible.
2. Company is taking several steps to utilize its real-estate resources and wherever possible to put them to generate revenue.
3. Your company is also exploring additional avenues of investment in new projects in joint ventures.

FINANCIAL RESULTS

During the year under review, your company has recorded a net profit after tax Rs119.89 Lacs as compared to Rs 124.21 Lacs in previous year on a total income of Rs 2540.92 Lacs as compared to 2278.32 Lacs in the previous year. Income of your company is mainly from guest house operations, Interest & dividend.

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

FIXED DEPOSITS

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

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORTS

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

A detailed Management Discussion & Analysis Report and a Corporate Governance Report along with certificate from the statutory auditors of the Company in pursuance with compliance Clause 49 of the Listing Agreement are attached and form part of this Annual Report of the Company.

BOARD OF DIRECTORS

A) Appointment/Re-appointment of Directors

According to section 149 and other applicable provisions of the

Companies Act, 2013, your Board is seeking appointment of Shri. Sanjiwan Sahni (DIN 01050255) as Independent Directors and he shall hold office for a term of 5 (five) consecutive years up to May 28, 2020.

In accordance with the Companies Act, 2013, Shri. Vinay Kumar Modi retires by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment. Your Board has recommends his re-appointment.

B) Key Managerial Personnel

The Board of Directors of your Company has appointed Mr. Kamal Gupta as the Chief Financial Officer of the Company with effect from September 01, 2014.

The Board of Directors of your Company has appointed Ms. Piya Modi as the Whole-Time-Director of the Company for a period of 3 years with effect from October 01, 2014.

C) Meeting of the Board of Directors

During the financial year ended on March 31, 2015, 4 (four) Board Meetings and 1 (one) meeting of Independent Directors was held and the maximum time gap between any two Board meetings was less than 120 days. Further, details of the meetings of the Board and its Committees are given in Corporate Governance Report, forming part of the Annual Report.

D) Declaration by Independent Director(s)

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

E) Board Evaluation

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

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

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

SUBSIDIARIES / JOINT VENTURES/ ASSOCIATE COMPANIES

The performance and financial information of the subsidiary companies / Joint Ventures / Associate Companies is disclosed in the Consolidated Financial Statement for the financial year ended March 31, 2015.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the provisions of the Companies Act, 2013 read with Clause 32 of the Listing Agreement and Accounting Standard AS-21 on Consolidated Financial Statement, AS-23 on Accounting for Investments in Associates and AS-27 on financial reporting of interests in joint ventures, the audited consolidated financial statement for the year ended March 31, 2015 is provided in the Annual Report.

AUDIT COMMITTEE

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

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



DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable Accounting Standards read with the requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and pursuant to as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the loss of the Company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts of the Company for the financial year ended March 31, 2015 on a 'going concern' basis;
- v) the Directors have laid down internal financial control to be followed by the Company and that such internal financial control are adequate and were operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RISK ASSESSMENT/ MANAGEMENT

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a CSR Committee to inter alia promote a comprehensive and integrated development through social and economic transformation and the detailed Policy for achieving this objective is available on Company's website.

During the year under review Company did not undertake any initiative due to rehabilitation of unimplemented portion of revival scheme sanction by the BIFR. However Board is hopeful to carry out some initiative during the year.

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

VIGIL MECHANISM

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

RELATED PARTY TRANSACTIONS

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

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

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

PARTICULARS OF LOAN, GUARANTEES, SECURITY OR INVESTMENTS

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

AUDITOR & AUDITOR'S REPORT

The Statutory Auditors, M/s.PDM and Company, Chartered Accountants, (Firm Registration No 007966N) New Delhi, were appointed as Auditors of the Company for a period of three years at the 41th Annual General Meeting held on September 30, 2014 and the appointment was subject to ratification at each Annual General Meeting. The Company has received letter from them to the effect that their ratification of appointment if considered, will be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for holding the office of the Auditors. Accordingly, the Board recommends ratification of their appointment as Statutory Auditors of the Company by the Shareholders at the ensuing Annual General Meeting of the Company.

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

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

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of the Company appointed M/s Sanjay Grover and Associates to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2015, in the prescribed format is attached and marked as **Annexure II** with this report. The Secretarial Audit Report is self-explanatory and do not call for any further comments. The Secretarial Auditors' Report does not contain any qualification, reservation or adverse remark.

MANAGERIAL REMUNERATION

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

EXTRACT OF ANNUAL RETURN

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

STATUTORY DISCLOSURES

Since there was no production, there is no information required to be given for energy conservation, technology absorption, fuel consumption etc. u/s 134(3) (m) of the Companies Act, 2013. Information about foreign exchange earnings is nil and outgo is Rs 34.15 Lacs during the year under review

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks for support and co-operation from the Hon'ble BIFR/AAIFR, Banks, UP Government and other Government Authorities and shareholders during the year period review. Your Directors also appreciate services of executives and staff of the Company for unstinted support in revival of the Company.

For and on behalf of the Board of Directors

Place: New Delhi
Date: July 27, 2015

Vinay Kumar Modi
Chairman

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2014-15.

1	Brief outline of Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR Policy and projects or programs	Refer Section Corporate Social Responsibility in this Report
2	Composition of the CSR Committee.	Refer Corporate Governance Report
3	Average Net Profit of the Company for last three financial years	1740.79 lacs
4	Prescribed CSR Expenditure (two percent of the amount as in item No. 3 above)	34.82 lacs
5	Details of CSR spent during the financial year:	
	(a) total amount to be spent for the financial year	34.82 lacs
	(b) amount unspent, if any	34.82 lacs
	(c) manner in which the amount spent during the financial year	None
6	In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board report.	During the year under review Company did not undertake any initiative due to rehabilitation of unimplemented portion of revival scheme sanctioned by the BIFR. However Board is hopeful to carry out some initiative during the year.

Responsibility Statement

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

Alok Kumar Modi
Managing Director

Vinay Kumar Modi
Chairman

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

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

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

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

The Company was declared as a Sick Industrial Undertaking within the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) by the Board of Industrial Financial Reconstruction (BIFR) on May 17, 2006 as the net worth of the Company was negative as on March 31, 2003. Thereafter, BIFR appointed State Bank of India as Operating Agency to formulate Rehabilitation Scheme for the revival of the Company. BIFR sanctioned the Rehabilitation Scheme April 8, 2008. Thereafter, upon substantial implementation of Rehabilitation Scheme and on the basis of Audited Balance Sheet as on March 31, 2009, BIFR vide its Order dated February 23, 2010 discharged the Company from the purview of SICA and directed that the unimplemented provisions of Rehabilitation Scheme would be implemented by the Company and the Company has been generally filing Status Reports with the BIFR on unimplemented portion of the Rehabilitation Scheme.

We report that

- Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of the financial statements of the Company.
- Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: