

Vinay Kumar Modi
Chairman

Alok Kumar Modi
Managing Director

Kawaljit Singh Bains
Independent Director

Amrit Kapur
Independent Director

Umesh Kumar Khaitan
Independent Director

Piya Modi
Whole-Time Director

Sanjeev Kumar Bajpai
Head- Legal & Company Secretary

Kamal Gupta
Chief Finance Officer

REGISTERED OFFICE
Modinagar-201 204
District Ghaziabad (Uttar Pradesh)
CIN: L25199UP1971PLC003392

HEAD OFFICE
4-7C, DDA Shopping Centre,
New Friends Colony,
New Delhi-110 025
website : www.modirubberlimited.com
Phone : +91-11-47109398
E-mail : investors@modigroup.net

WORKS
Modinagar-201 204
District Ghaziabad (Uttar Pradesh)

BANKER
Axis Bank Ltd

STATUTORY AUDITORS
Suresh Surana & Associates LLP
Chartered Accountants
2nd Floor, Tower-B, B-37, Sector-1
Noida (NCR) - 201301 (UP) India

SECRETARIAL AUDITORS
Sanjay Grover & Associates
B-88, 1st Floor, Defence Colony
New Delhi - 110 024

INTERNAL AUDITORS
S.R. Dinodia & Co.LLP
K-39, Connaught Circus
New Delhi-110001

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

47th Annual General Meeting

Date : 29th September, 2020
Day : Tuesday
Time : 11:30 A.M
Place : Modi Nagar, 201204
Book Closure Date : 23/09/2020 to 29/09/2020
(both days inclusive)

Contents

Notice 2
Directors's Report 5
Management Discussion and Analysis Report 19
Report on Corporate Governance 19
Independent Auditors' Report 29
Balance Sheet 39
Statement of Profit & Loss 40
Schedules 50
Consolidated Financial Statements 68

Page No.

MODI RUBBER LIMITED
(CIN: L25199UP1971PLC003392)

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

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

Website : www.modirubberlimited.com, Email : investors@modigroup.net, Phone No: +91-11-47109398

NOTICE

Notice is hereby given that the 47th Annual General Meeting of the members of **Modi Rubber Limited ("the Company")** will be held on Tuesday the September 29th, 2020 at 11:30 AM, through Video Conference / Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at Modinagar-201204 (U.P)

ORDINARY BUSINESSES:

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors ('the Board') and auditor's thereon.
2. To appoint a Director in place of Mr. Vinay Kumar Modi (DIN: 00274605) who has consented to retire by rotation for compliance with the requirements of Section 152 of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESSES:

3. To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a **"Special Resolution"**.

"RESOLVED THAT pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made thereunder as amended from time to time, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company, (in which any director is deemed to be interested) upto an aggregate sum of Rs.2 Crores (Rupees Two Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company."

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

Place: New Delhi
Date: 31, August 2020

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

NOTES:

1. Following is the Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting,

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

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

Item Nos.3

Your Company had set up many projects in joint ventures through its Subsidiaries, Associates and Joint Venture & due to covid-19, business of these JVCs/Associates/Subsidiaries have been impacted. In order to augment & to provide financial support on short term basis to JVCs/Associates/Subsidiaries to tide over their financial constraints, Board of Directors in its meeting held on 31st August 2020 has considered and recommended that a short term loan upto an aggregate sum of Rs. 2 Crores (Rupees two Crores Only) could be given to such JVCs/Associates/Subsidiaries to support their business.

None of the directors is interested in the above resolution individually or through its relatives.

2. The Register of Members and Share Transfer Books of the Company shall remain closed from 23.09.2019 to 29.09.2019 (both days inclusive).
3. In view of the COVID 19 pandemic, the Ministry of Corporate Affairs vide its Circular dated 5th May, 2020 read with Circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as 'Circulars'), has introduced certain measures enabling companies to convene their Annual General Meetings (AGM/ Meeting) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and also send notice of the Meeting and other correspondences related thereto, through electronic mode. In compliance with the said requirements of the MCA Circulars, electronic copy of the Notice along with the Annual Report for the financial year ended 31st March, 2020 consisting of financial statements including Board's Report, Auditors' Report and other documents required to be attached therewith (Collectively referred to as Notice) have been sent only to those members whose e- mail ids are registered with the Company or the Registrar and Share Transfer Agent or the Depository Participant(s) through electronic means and no physical copy of the Notice has been sent by the Company to any member. The Notice has also been hosted on the website of the Company www.modirubberlimited.com
4. In compliance with the said Circulars, the Company has also published a public notice by way of an advertisement made dated 5th September 2020, in Pioneer English (Delhi NCR) and Rastriya Sahara(hindi) and both having a wide circulation along with their electronic editions, inter alia, advising the members whose e-mail ids are not registered with the Company, its Registrar and Share Transfer Agent (RTA) or Depository Participant(s) (DPs), as the case may be, to register their e-mail ids with them.
5. The members who have not yet registered their e- mail ids with the Company may contact Mas Services Limited (**Registrars & Share Transfer Agents**) at T-34, 2nd Floor, Okhla Industrial Area, Phase - II,, New Delhi - 110 020, Ph:- 26387281/82/83 Fax:- 26387384 email:- info@masserv.com

for registering their e- mail ids on or before 22/09/2020 The Company shall send the Notice to such members whose e-mail ids get registered within the aforesaid time enabling them to participate in the meeting and cast their votes

6. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
7. In terms of the aforesaid Circulars, the businesses set out in the Notice will be transacted by the members only through remote e-voting or through the e-voting system provided during the meeting while participating through VC facility.
8. In accordance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto and applicable provisions of the SEBI Listing Regulations, the Company has engaged the services of [CDSL/NSDL] to provide the facility of voting through electronic means to the members to enable them to cast their votes electronically in respect of all the businesses to be transacted at the aforesaid Meeting.
9. Voting rights of the members (for voting through remote e-voting or e-voting system provide in the Meeting itself shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e.22/09/2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting or e- voting system provided in the Meeting.
10. In accordance with the aforementioned MCA Circulars, the Company has appointed Mas Services Ltd. for providing the VC facility to the members for participating in the Meeting. The members are requested to follow the following instructions in order to participate in the Meeting through VC mechanism: a. The login-id and password for joining the meeting has been separately provided along with this Notice; b. The facility for joining the Meeting shall be kept open 30 minutes before the time scheduled to start the meeting i.e. [11:30AM] and 15 minutes after the expiry of the said scheduled time i.e. till [o]; c. Members who hold shares in dematerialized form are requested to furnish their Client ID and DP ID Nos. and members who hold shares in physical form are requested to furnish their folio number for easy identification of attendance at the Meeting; d. Participation of single member shall only be allowed at a time; e. Queries on the accounts and operations of the Company or the businesses covered under the Notice may be sent to [o]at least seven days in advance of the meeting so that the answers may be made readily available at the meeting; f. Members are requested to e-mail at [o] or call at [o] in case of any technical assistance required at the time of log in/ assessing/ voting at the Meeting through VC; g. [other relevant information to be provided]
11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote.
12. In view of the MCA Circulars, no proxy shall be appointed by the members. However, corporate members are required to send to the Company/ RTA/ Scrutinizer, a certified copy of the Board Resolution, pursuant to section 113 of the Companies Act 2013, authorizing their representative to attend and vote at the Meeting through VC.
13. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained

under Section 189 of the Companies Act, 2013 shall be made available only in electronic form for inspection during the Meeting through VC.

14. All other relevant documents referred to in the accompanying notice/explanatory statement shall be made open for inspection by the members only in electronic form at the Meeting on all working days, except Saturdays, from 11:00 a.m. to 1:00 p.m. up to the date of the Meeting.
15. The Notice for this Meeting along with requisite documents and the Annual Report for the financial year ended 2019-20 shall also be available on the Company's website[www.modirubberlimited.com]
16. The results of remote e-voting and e- voting system provided in the Meeting shall be aggregated and declared within 48 hours the Meeting.
17. The results declared along with the report of the scrutinizer shall be placed on the Company's website [www.modirubberlimited.com] and on the website of NSDL immediately after the result is declared by the Chairman and simultaneously communicated to the Stock Exchanges. Due to the current lockdown situation in the wake of COVID 19 pandemic, the result shall not be displayed on the Notice Board of the Company at its Registered Office.
18. Members desirous of obtaining any information concerning the Accounts of the Company are requested to send their request at the 4/7C DDA Shopping Centre New Friends Colony, New Delhi- 110025 Head Office of the Company atleast seven days before the date of the Meeting, so that the information required may be made available at the Meeting.
19. 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.
20. 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.
21. 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.
22. Voting through electronic means:
In compliance with section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management Administration) Rules, 2014, and regulation 44 of SEBI (LODR) the Company is pleased to provide to members facility to exercise their right to vote at the 47th 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

General Instructions:

- The remote e-voting period commences on 26th September, 2020 (9:00 am) and ends on 28th September, 2020 (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, 2020, 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 download 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 22/09/2020.
- 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.
- 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 send of the email and holding shares as of the cut-off date i.e. 22/09/2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or info@massservices.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 e-voting system.

- 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 48 hours from the conclusion of the e-voting period unblock the votes in presence of at least 2 (two) witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour, against, if any, forthwith to the chairman of the Company.
 - The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared alongwith the scrutinizer's report shall be placed on the Company's Website www.modirubberlimited.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company.
23. 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.
 24. 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/RTA.
 25. As required by regulation 36 of SEBI (LODR) 2015 and as required under Secretarial Standard-2, in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of the notice. The Directors have furnished the requisite declarations for their re-appointment and their brief profile forms part of the explanatory statement.
 26. Kindly register your e-mail addresses and contact details with us, by writing to the Secretarial Department at The Corporate Office, or at our e-mail ID: investors@modigroup.com. This will help us in prompt sending you notice, 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 23rd September 2020 upto the date of the AGM.

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

Place: New Delhi
Date: 31, August 2020

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

DIRECTORS' REPORT

Your Directors have pleasure in sharing with you the 47th Annual Report on the business and operations of the Company, along with the audited financial statements for the financial year ended March 31, 2020.

IMPLEMENTATION STATUS OF BIFR SCHEME

The Central Government vide its Notification No.S.O.3568 (E) Dated 25 November 2016 put into force the provisions of the Sick Industrial Company (Special Provisions) Repeal Act 2003 repealing SICA 1985. However, the Repeal Act shall not affect any order made by the Board for sanction of the Scheme and in pursuance with. Your company continues to implement the unimplemented provisions of SS-08 sanctioned by the BIFR on 8.4.2008.

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 with one creditor is also pending 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.

FINANCIAL RESULTS

During the year under review, your company has recorded a net loss after tax Rs 233.20 Lacs as compared to net profit of Rs 906.31 Lacs in previous year and a total comprehensive loss of Rs 634.70 as compared to income of 1397.12 Lacs in the previous year. Income of your company is mainly from guest house operations, Interest & dividend.

DIVIDEND

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

FIXED DEPOSITS

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

MANAGEMENT DISCUSSION & ANALYSIS & CORPORATE GOVERNANCE REPORTS

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

BOARD OF DIRECTORS

A) Appointment/Re-appointment of Directors

There is no change in the Composition of Board of Directors.

B) Meeting of the Board of Directors

During the financial year ended on March 31, 2020, 4 (Four) Board Meetings and 1 (one) meeting of Independent Directors were held and the maximum time gap between any two Board meetings was less than 120 days. Further, details of the meetings of the Board and its Committees are given in Corporate Governance Report, forming part of the Annual Report.

C) Declaration by Independent Director(s)

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under applicable regulations of SEBI (LODR) 2015 with the Stock Exchanges.

D) Board Evaluation

The Company has formulated a policy on performance evaluation for the Directors, Board and its Committees and other individual Directors on the parameters inter alia covering 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.

Pursuant to policy on performance evaluation, a process for performance evaluation was carried out for Independent director, board, committees and other individual directors.

Policy for Board evaluation is available on company's website.

SUBSIDIARIES/JOINT VENTURES/ ASSOCIATE COMPANIES

The performance and financial information of the subsidiary companies / Joint Ventures / Associate Companies is reported in the Consolidated Financial Statement for the financial year ended March 31, 2020.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the provisions of the Companies Act, 2013 read with Regulation 33 of SEBI (LODR) 2015 and Applicable Ind-AS 110 on Consolidated Financial Statement, Ind-AS 28 on Accounting for Investments in Associates and Joint Ventures, the audited consolidated financial statement for the year ended March 31, 2020 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, 2020, the applicable Ind-AS 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 prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts of the Company for the financial year ended March 31, 2020 on a 'going concern' basis;
- v) the Directors have laid down internal financial control to be followed by the Company and that such internal financial control are adequate and were operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RISK ASSESSMENT/ MANAGEMENT

The Company has formulated and adopted a Risk Management Policy. Board of Directors of the Company is responsible for the direction and establishment of internal control to mitigate material

business risks. The policy is framed to identify element of risks like misstatement, frauds etc and their mitigation for achieving its business objective and to provide reasonable assurance.

INTERNAL FINANCIAL CONTROLS

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

COST RECORD

The provision of Cost audit as per section 148 doesn't applicable on the Company.

CONSTITUTION OF COMMITTEE – SEXUAL HARASSMENT AT WORKPLACE

The Company has constituted committee under the sexual harassment of women at workplace (prevention, prohibition and Redressal) Act, 2013 and However, company has complied with the provisions of the same.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review there was no profit from the operations hence no CSR activities was undertaken

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 bower. 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 bower is available on Company's website.

RELATED PARTY TRANSACTIONS

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

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

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

PARTICULARS OF LOAN, GUARANTEES, SECURITY OR INVESTMENTS

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

AUDITOR & AUDITOR'S REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. Suresh Surana & Associates LLP, Chartered Accountants, with registration number 121750W/W-100010), were appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 44th Annual General

Meeting held on 28th September, 2017 until the conclusion of 49th Annual General Meeting of the Company to be held in the calendar year 2022.

M/s. Suresh Surana & Associates LLP, Chartered Accountants, with registration number 121750W/W-100010), have submitted their Report on the Financial Statements of the Company for the FY 2019-20, which forms part of the Annual Report 2019-20. There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Reports that may call for any explanation from the Directors.

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-II)

SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the financial year ended March 31, 2020, in the prescribed format is attached and marked as **Annexure III** with this report. The secretarial audit report contains certain remarks, explanations which are given as under:-

- Delay in submission information with Stock Exchanges Portal which was caused due to technical glitches in system.
- Delay for points 2 to 4 which were caused due to inadvertent overlook on the circulars issued by SEBI.
- Promoter's shareholding couldn't be demated as certain shares in physical form are still under lien.
- Pursuant to the terms of appointment, no director was available to retire by rotation, however company has taken the corrective action.
- Delay in filing MGT 14 was caused inadvertently.

Board directed the concerns to be more vigilant in future.

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 83.24 Lacs during the year as disclosed in note no.39 of Standalone Financial Statement.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Alok Modi
(DIN: 00174374)
Managing Director
Place: New Delhi
Date: August 31, 2020

Piya Modi
(DIN: 03623417)
Wholtime Director

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20

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	Not Applicable
4	Prescribed CSR Expenditure (two percent of the amount as in item No. 3 above)	Not Applicable
5	Details of CSR spent during the financial year:	
(a)	total amount to be spent for the financial year	Not Applicable
(b)	amount unspent, if any	Not Applicable
(c)	manner in which the amount spent during the financial year	Not Applicable
6	In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board report.	Not Applicable

Responsibility Statement

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

For and on behalf of the Board of Directors

Place: New Delhi
Date: August 31, 2020

Alok Modi
(DIN: 00174374)
Managing Director

Piya Modi
(DIN: 03623417)
Wholtime Director

Annexure II**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2019-20 (in Rs.)	% increase in Remuneration in the Financial Year 2019-20
1.	Mr. Vinay Kumar Modi (Non-Executive Chairman)	No remuneration**	N.A
2.	Mr. Alok Kumar Modi (Managing Director)	He opted not to draw any remuneration from Company during implementation of BIFR revival scheme.	N.A
	Ms. Piya Modi (WHD)	32.68 Lacs	NIL
3.	Mr. Kanwaljit Singh Bains (Non-Executive Independent Director)	Sitting Fees only*	N.A
4.	Mr. Amrit Kapur (Non-Executive Independent Director)	Sitting Fees only*	N.A
5.	Mr. Umesh Khaitan (Non-Executive Independent Director)***	Sitting Fees only*	N.A
6.	Mr. Sanjeev Kumar Bajpai (Head – Legal & Company Secretary)	39.46 Lacs	(8.68%)
7.	Mr. Kamal Gupta (CFO Officer)	59.82 Lacs	9.09%

*Sitting fees are Rs. 10000/- For attending each board meeting and Rs. 5000/- For attending each committees meeting

** Pursuant to shareholder's approval, an amount of Rs.19.86 was reimbursed for medical treatment to Vinay Kumar Modi.

*** Apart from sitting fee, company also pays fees to the Law Firm for legal professional services of which Mr. Khaitan is Partner.

- The median remuneration of employees of the Company during the financial year was Rs ; 7,11,709;
- In the financial year 2019-20, the median remuneration of employees decreased by 4.83%.
- There were 26 permanent employees (Including KMPs) on the rolls of Company as on March 31, 2020;
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 and comparison with the percentage increase/(decrease) in managerial remuneration:
- 1:1.83 is the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year
- It is hereby affirmed that the remuneration paid is as per Policy for Directors, Key Managerial Personnel, Senior Management and other Employees.

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

We report that:-

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- g) The auditor adhered to best professional standards and practices as could be possible while carrying out audit during the lock-down conditions due to Covid-19. The Company made due efforts to make available the relevant records and documents which were verified through online means to conduct and complete the audit in the aforesaid lock-down conditions.

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, 2020 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) *The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) *The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

*No event under these regulations took place during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, compliance of which needs to be further strengthened.

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

- Corporate Governance Report under Regulation 27(2) of SEBI LODR for the quarter ended 30th June, 2019 was submitted to Both BSE and NSE on 16.07.2019.

- The Company started submitting the disclosures, under Regulation 23(9) of SEBI LODR, of related party transactions on a consolidated basis w.e.f. half year ended 30th September, 2019;
- The Annual Secretarial Compliance Report under SEBI Circular dated 08.02.2019 was filed with Stock Exchanges on 21st October, 2019;
- Trading window for June 2019 quarter was closed on 02nd August, 2019.
- Hundred percent of shareholding of promoter(s) and promoter group is not in dematerialized form
- The company does not have directors who are liable to retire by Rotation as required under Section 152 of the Companies Act, 2013;
- Form MGT-14 is required to be filed in respect of borrowing from Toyota Financial Services India Limited for purchase of Car in the Board meeting held on 14th August, 2019.

(vi) As informed by the Management, the Company was earlier engaged in manufacture of automotive tyres, tube & flaps and other allied products in its plants set-up in 1974 at Modipuram, Meerut and Modinagar. Pursuant to the BIFR Scheme, Modinagar plant continued to be with the Company for carrying out its Industrial activities. However, Modinagar Plant of the Company is under the Seal of Official Liquidator (OL) attached to the Allahabad High Court appointed by Allahabad High Court pursuant to CP No.7 of 2005 in "Punjab National Bank Vs Modi Export Processors Ltd," as the Company had taken Industrial Shed and land on perpetual lease from Modi Export Processors Ltd, on which Company had installed its Plant & Machinery for Modinagar Plant. The Company has filed Special Appeal No.1917 of 2008 with the Allahabad High Court for re-possession from the OL which is pending for final adjudication before the Hon'ble High Court. Further, The Company continues to implement the unimplemented provisions of BIFR Scheme.

Presently, the Company generates its income/revenue from rentals on real estate and Guest House at Modipuram, Income from Fund Management/Investments and also dividend from Joint Venture companies in which Company have Management & Equity Collaborations. As informed by the Management, though there is no sector specific law applicable on the Company.

We further report that the Board constitution, due to demise of Mr. Arvind Nath Seth, was made good on 28th May, 2019. The company is not having rotation directors as required under section 152 of the Companies Act, 2013. Thereafter, the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Advance notices were given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions were carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

New Delhi
August 31, 2020

Mohinder Paul Kharbanda
Partner
FCS No.: F2365, CP No.: 22192
UDIN: F002365B000636064To

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN:	L25199UP1971PLC003392
2	Registration Date:	7.02.1971
3	Name of the Company:	MODI RUBBER LIMITED
4	Category of the Company:	Company limited by shares/ India Non-Government Company
5	Sub-Category of the Company	Indian Non-Government Company
6	Address of the Registered Office and contact details:	Modi Nagar, Uttar Pradesh -201204, India , Tel No.: 011-26834384, 26833284, 26848417, Email:
7	Whether listed Company:	Yes
8	Name, Address and Contact details of Registrar and Transferor Agent:	MAS Services Ltd, T-34, II Floor, Okhla Industrial Area, Phase-IIInd, New Delhi 110020, Tel (011) 26387281, 82, 83 Fax (011) 26837286

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products/services	NIC Code of the Product	% to total turnover of the company
1	Other Business	74999	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address Of The Company	CIN/GLN	Holding/subsidiary/Associate	% of shares held	Applicable Section
1	Spin Investment India Limited- 6/7C DDA Shopping Centre, New friends Colony New Delhi-110065 India	U74899DL1982PLC013733	Subsidiary	100	2(87)
2	Superior Investment (India) Limited- 4/7C DDA Shopping Centre, New friends Colony New Delhi-110065 India	U65993DL1981PLC012512	Subsidiary	100	2(87)
3	Modistone Ltd.- In Liquidation- Hay Bunder Road,Mumbai-33.	U25110MH1939PLC002991	Subsidiary	55.32	2(87)
4	Gujarat Guardian Limited- Valia Road, State Highway Road Village Kondh Ankleshwar Bharuch Gujarat- 393001 India	U17110GJ1990PLC013397	Joint Venture	21.24	2(6)
5	Asahi Modi Materials Private Limited- Plot No 913, G.I.D.C., Jhagadia, Dist. Bharuch-393110, Gujarat	U24233GJ2012PTC072830	Joint Venture	49.00	2(6)
6	Modi Marco Aldany Private Limited- Ground Floor, 4-7C DDA Shopping Center, New Friends Colony- New Delhi-110025	U74999DL2016PTC308956	Joint Venture	50.00	2(6)