



Modi Rubber Limited

36TH ANNUAL REPORT 2007-2008

THE COMPANY

BOARD OF DIRECTORS

Surinder Singh Kohli

Chairman
(Nominee of UTI)

Vinay Kumar Modi

Vice Chairman & Managing Director

Alok Modi

Arvind Nath Seth

Sushil Chand Tripathi

Special Director – (Nominee of BIFR)

Pawan Chopra

Special Director – (Nominee of BIFR)

Shyam Bahadur Kunwar

(Nominee of LIC)

Sanjiwan Sahni

Head – Legal & Company Secretary

Sanjeev Kumar Bajpai

REGISTERED OFFICE

Modinagar – 201 204
District Ghaziabad
(Uttar Pradesh)

HEAD OFFICE

4/7C DDA Shopping Centre
New Friends Colony
New Delhi – 110 025

WORKS

Modinagar – 201 204
District Ghaziabad
(Uttar Pradesh)

BANKERS

State Bank of India
Punjab National Bank
HDFC Bank Ltd.
Punjab & Sind Bank

STATUTORY AUDITORS

Messrs P.D.M. & Co.,
(Formerly Prabhat Jain & Co.)
Chartered Accountants
B-61, Flatted Factory Complex
Jhandewalan, New Delhi 110,055

REGISTRAR & SHARE TRANSFER AGENT

Messrs. MAS Services Ltd.
AB-4, Safadarjung Enclave
New Delhi 110 029
Tel (011) 26104142

36TH ANNUAL GENERAL MEETING

Date	: 30th September, 2008
Day	: Tuesday
Time	: 10.00 A.M.
Place	: Auditorium, Dayawati Modi Public School, Modinagar
Book Closure Dates	: 23rd September, 2008 to 30th September, 2008 (both days inclusive)

CONTENTS	PAGE NO.
Notice	2
Directors' Report	4
Auditors' Report	10
Balance Sheet	12
Profit & Loss Account	13
Schedules	14
Statement under Section 212 of the Companies Act, 1956	29
Superior Investment (India) Ltd.	30
Spin Investment (India) Ltd.	34
Modi Tyres Company Private Ltd.	38
Consolidated Financial Statements	42

Due to prohibitive cost of paper and printing, copies of the Annual Report will not be distributed at the Annual General Meeting. Members/Shareholders are requested to bring copies of their Annual Report to the meeting.

NOTICE

NOTICE is hereby given that the **36th Annual General Meeting** of Modi Rubber Limited shall be held on Tuesday, 30.09.2008 at 10.00 AM at Auditorium, Dayawati Modi Public School, Modinagar to transact the following business:

ORDINARY BUSINESS

1. To consider, receive and adopt the Audited Profit & Loss Account for the accounting year ended 31.03.2008 and the Balance Sheet as at 31.03.2008 and the Reports of the Directors and Auditors thereon.
2. To appoint Auditors and fix their remuneration to M/s PDM & Co. (formerly Prabhat Jain & Co.) Chartered Accountants, New Delhi, the existing Auditors for the Company, are eligible for re-appointment.

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without modifications, the following as an Ordinary Resolution :-

"RESOLVED THAT, pursuant to the provisions of Section 260 of the Companies Act, 1956, Shri Arvind Nath Seth, who was appointed as an Additional Director by the Board of Directors of the Company and in respect of whom notice under Section 257 of the Act has been received, be and is hereby appointed as Director of the Company liable to retire by rotation."

4. To consider and, if thought fit, to pass with or without modifications, the following as an Ordinary Resolution :-

"RESOLVED THAT, pursuant to the provisions of Section 260 of the Companies Act, 1956, Shri Alok Modi, who was appointed as an Additional Director by the Board of Directors of the Company and in respect of whom notice under Section 257 of the Act has been received, be and is hereby appointed as Director of the Company liable to retire by rotation."

5. To consider and, if thought fit, to pass with or without modifications, the following as an Ordinary Resolution :-

"RESOLVED THAT, pursuant to the provisions of Section 260 of the Companies Act, 1956, Shri Sanjiwan Sahni, who was appointed as an Additional Director by the Board of Directors of the Company and in respect of whom notice under Section 257 of the Act has been received, be and is hereby appointed as Director of the Company liable to retire by rotation."

By order of the Board,
for **MODI RUBBER LIMITED**

Place : New Delhi

S K Bajpai

Date : August 29, 2008

Head - Legal & Company Secretary

NOTES:

1. Explanatory Statement in respect of Item No. 3, 4 and 5 of the Notice as required under Section 173 of the Companies Act, 1956, is annexed herewith.
2. The Register of Members and Share Transfer Books of the Company relevant thereto shall remain closed from 23.09.2008 to 30.09.2008 (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 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. Members desirous of obtaining any information concerning the Accounts of the Company are requested to send their requests at the Head Office of the Company at least seven days before the date of the Meeting, so that the information required may be made available at the Meeting.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NOS. 3, 4, & 5

Shri Arvind Nath Seth, Shri Alok Modi and Shri Sanjiwan Sahni were appointed as Additional Directors of the Company w.e.f. 14.06.2008 to hold office upto the ensuing Annual General Meeting. Company has received notice from a member of the Company under Section 257 of the Companies Act proposing their candidature for appointment as Directors who are liable to retire by rotation. Hence, resolutions as mentioned at Item Nos.3, 4 and 5 of the Notice are proposed. Your Board recommends passing of the said resolutions.

None of the Directors of the Company, except Shri Arvind Nath Seth and Shri Vinay Kumar Modi (as his relative) may be considered to be interested or concerned in passing of the proposed resolution No.3.

None of the Directors of the Company, except Shri Alok Modi and Shri Vinay Kumar Modi (as his relative) may be considered to be interested or concerned in passing of the proposed resolution No.4.

None of the Directors of the Company, except Shri Sanjiwan Sahni may be considered to be interested or concerned in passing of the proposed resolution No.5.



Information required under Clause 49 of the Listing Agreement in respect of directors proposed to be appointed by Resolution Nos. 3, 4 & 5 is given below:-

Particulars	Shri Arvind Nath Seth	Shri Alok Modi	Shri Sanjiwan Sahni
Age (in years)	61	42	63
Qualification	B.A.	B.E.	MBA (IIM- Ahmedabad)
Expertise in specific functional areas	Business	Industry and Management	Finance and Management
Date of appointment on the Board of the Company	14.06.2008	14.06.2008	14.06.2008
Names of other Companies in which Directorships held	Tirupati Multiplex Pvt. Ltd. Apex Propmart Pvt. Ltd. Apex Realcon Pvt. Ltd. Renaissance Realcon Pvt. Ltd. Meerut Proptech Pvt. Ltd.	Gujarat Guardian Ltd. MAN Diesel India Ltd.	Kusum Sahni Pvt. Ltd. Sunflower Securities Pvt. Ltd. Arpee Gems Pte Ltd. Vijay Diamond Pte Ltd.
Names of the Companies in which Committee Membership / Chairman-ships held	Nil	Nil	Nil
No. of shares held	Nil	928	Nil

INSPECTION OF DOCUMENTS

All material documents referred to in the Notice and the Explanatory Statement will be kept open for inspection by the members, at the Registered Office of the Company, from 11 AM to 1 PM, on all working days from 23.09.2008 upto the date of the AGM.

By order of the Board,
for **MODI RUBBER LIMITED**

Place : New Delhi
Date : August 29, 2008

S K Bajpai
Head – Legal & Company Secretary

DIRECTORS' REPORT

Your Directors present the 36th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2008.

REHABILITATION SCHEME SANCTIONED BY HON'BLE BIFR

The State Bank of India (Operating Agency), in accordance with direction issued by BIFR on 17.07.2007, with the help of Ghaziabad and Meerut district administration, took peaceful possession of your company's factories located at Modipuram, Partapur and Modinagar and same was handed over to Company's management on 27th August 2007. Immediately after possession, Company sought expert advice, including of foreign personnel, to assess condition of the plant, which was not operated for around six years, though kept ready for use and also to suggest the kind of repair and upgradation that the machines required, with specific timeline. Repair and upgradation work relating to Company's plants at Modipuram and Partapur were, thereafter, taken in hand and is now nearly complete. As reported in last year report, your company had submitted a Draft Rehabilitation Scheme (Scheme) to the Hon'ble BIFR. Your directors are pleased to inform that BIFR, after giving opportunity to all the concerned parties / creditors, on 21.04.2008, sanctioned the Scheme. This results in giving relief and concessions of Rs.147.27 Crores for revival & rehabilitation of your company.

To give effect to the Scheme, Company has initiated steps to liquidate some of the non tyre business assets (as included in the BIFR sanctioned Scheme) through Assets Sale Committee constituted in terms of BIFR guidelines to pay off liabilities. Barring a few, who are being persuaded to fall in line with the Scheme, most of creditors have accepted the Scheme. The Company has also paid Settlement amount determined in the Scheme by Hon'ble BIFR to most of the workmen, excepting a few, who are being persuaded to fall in line with BIFR Order.

Your company has since paid Rs. 30.91 Crores to the creditors till now.

FINANCIAL RESULTS

During the year under review, the Company received an income of Rs.39.25 Crores from dividend and other sources. After taking into account write back of liabilities etc. as aforesaid as per BIFR Order, the accumulated losses of the Company have reduced to Rs.58.01 Crores.

Your Directors hope that, as submitted in the Scheme, barring unforeseen circumstances, these losses would also be wiped by the end of current financial year.

PLANT OPERATIONS

Pursuant to the Scheme, business operations of Modipuram and Partapur Plants stand transferred to a wholly owned subsidiary Company, namely Modi Tyres Company Pvt. Ltd. (MTCPL) on a going concern basis. Modinagar Plant will continue to be owned and operated by MRL.

As mentioned above, all out efforts are being made to repair and upgrade these plants with latest technology under the supervision and guidance of foreign experts, including implementation of SAP on machines for consistency and effective control in production process.

Operations at Modinagar plant, however, continue to remain suspended.

TECHNOLOGY AND BRAND AGREEMENTS WITH CONTINENTAL, GERMANY

MTCPL has been successful in entering into the Technical Collaboration Agreement and Trade Mark License Agreement with Continental AG of Germany, which are subject to the approval of Government of India. MTCPL proposes to commence operations soon on receiving the Government approval for the same.

BOARD OF DIRECTORS

Shri S Lahiri, Shri SK Chanana and Dr.BK Modi have resigned as Directors and Shri Arvind Nath Seth, Shri Alok Modi and Shri Sanjiwan Sahni were appointed as Additional Directors w.e.f. 14.06.2008. Company has received notices under section 257 of the Companies Act, 1956, for their appointment as Directors. The above proposal has been included in the Notice of the Annual General Meeting for your approval. Nominees of Financial Institutions / BIFR and Vice-Chairman & Managing Director are non retiring directors in terms of the Articles of Association and the terms of their appointment.

Board expresses its gratitude to the outgoing Directors and welcomes the new Directors.

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 along with proper explanation relating to material departures; as referred in Sub Section (3 C) of Section 211 of the Companies Act, 1956.
- (ii) that 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 at the end of the financial year and of the Profit or Loss of the Company for that year;
- (iii) that the Company has taken all possible 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 frauds 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) as the efforts are underway for rehabilitation/restructuring of the Company, the annual accounts have been prepared on a going concern basis.

AUDITORS

M/s.PDM & Co. (Formerly M/s. Prabhat Jain & Co.) Chartered Accountants, New Delhi, shall be retiring as Statutory Auditors of the Company at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Auditors' observations in their Report have been elaborately dealt with in the Auditors' Report / Notes on Accounts in Schedule 5. 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 closure of the plants.



SUBSIDIARY COMPANIES

Statement under Section 212 of the Companies Act, 1956 together with Annual Reports of Company's three Wholly Owned Subsidiaries, namely Spin Investment (India) Limited, Superior Investment (India) Limited and Modi Tyres Company Private Limited, are attached. Since Modistone Ltd. is under winding up by the Official Liquidator appointed on 25.07.2002, its annual accounts and other information are not available.

STATUTORY DISCLOSURES

During the year under review, there was no employee for the purpose of Section 217(2A) of the Act. 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 Act. Information about foreign exchange earnings and outgo is nil 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 on Corporate Governance together with Auditors' Certificate form part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

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

ACKNOWLEDGEMENT

Your Directors express their appreciation for assistance and co-operation from the Financial Institutions, Banks, Government Authorities and Shareholders during the year under review. Your Directors also appreciate services of executives, staff and workers of the Company. Your Directors are specially obliged to the Hon'ble BIFR for sanctioning the Rehabilitation Scheme and putting the Company on the path of recovery.

For and on behalf of the Board

Place : New Delhi
Date : August 29, 2008

S S Kohli
Chairman

CORPORATE GOVERNANCE

A Report for the Financial Year ended 31.03.2008 on the implementation of Code of Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement (as amended) is set out below.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to enhance the long term economic value of the Company, its stakeholders and

the society at large by adopting appropriate corporate practices in fair and transparent manner by aligning interest of the Company with that of its shareholders and other stakeholders. Your Company endeavours to follow procedures and practices in conformity with the Code of Corporate Governance outlined in the Listing Agreement.

1. CODE OF CONDUCT

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

2. BOARD OF DIRECTORS

The present composition of the Board of Directors of the Company is given below:-

Name of Directors	Status i.e. Promoters, Executive, Non Executive, Independent, Non Executive, Nominee of Financial Institutions (FIs)	No. of Board Meeting of the Company		Number of Membership in other Boards or other Committees as a Member or chairperson		Whether attended the last AGM
		Held during the year	Attended during the year	Board	Committee	
Shri Surinder Singh Kohli	Nominee of FIs	05	05	05	NA	Yes
Shri Vinay Kumar Modi @	Promoter / Executive	05	05	03	03	Yes
Shri Sushil Chand Tripathi	Nominee of BIFR	05	02	06	NA	No
Shri Pawan Chopra	Nominee of BIFR	05	05	02	NA	Yes
Shri Shyam Bahadur Kunwar	Nominee of FIs	05	05	01	NA	Yes
Dr.Bhupendra Kumar Modi * @	Non Executive	05	Nil	07	NA	No
Shri Sanjeev Kumar Chanana **	Nominee of FIs	05	03	04	02	Yes
Shri Subrata Lahiri ***	Nominee of FIs	05	01	-	-	No
Shri Alok Modi + @	Promoter / Non Executive	05	NA	02	NA	NA
Shri Arvind Nath Seth + @	Promoter / Non Executive	05	NA	-	NA	NA
Shri Sanjivan Sahni +	Independent / Non Executive	05	NA	-	NA	NA

* Resigned w.e.f. 19.07.2008, ** Resigned w.e.f. 14.06.2008, *** Resigned w.e.f. 24.03.2008 + Appointed w.e.f. 14.06.2008 @ Shri Vinay Kumar Modi and Dr.Bhupendra Kumar Modi are brothers. @ Shri Vinay Kumar Modi is father of Shri Alok Modi @ Shri Vinay Kumar Modi is brother in law of Shri Arvind Nath Seth.

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

During the year, five meetings of the Board of Directors were held on 12.05.2007, 01.10.2007, 03.11.2007, 30.01.2008 and 31.03.2008.

3. AUDIT COMMITTEE

The constituted Audit Committee has the terms and roles as specified in Clause 49 of the Listing Agreement / Section 292A of the Companies Act, 1956. During the year, the Audit Committee consists of Shri SS Kohli as Chairman, Shri VK Modi, Shri SB Kunwar, Shri S Lahiri (upto 24.03.2008), Shri SK Chanana (upto 14.6.2008) and Dr.BK Modi. (upto 19.07.2008) as its Members. Shri Sanjivan Sahni was appointed as member of the Committee w.e.f. 19.07.2008.

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

During the year 2007-08, four meetings of the Committee were held on 12.05.2007, 01.10.2007, 03.11.2007 and 30.01.2008. The same were attended by the Members as follows:-

Name of the Members	No. of meeting attended
Shri Surinder Singh Kohli, Chairman	4
Shri Vinay Kumar Modi	4
Shri Shyam Bahadur Kunwar	4
Dr.Bhupendra Kumar Modi	Nil
Shri Sanjeev Kumar Chanana	2
Shri Subarat Lahiri	1
Shri Sanjivan Sahni (w.e.f. 19.07.2008)	NA

4. REMUNERATION

There has been no occasion for consideration of payment of remuneration to any Director during the year. As and when necessary, Board will constitute a Remuneration Committee. There is no stock option scheme of the Company for any Director (wholtime / non wholtime). No remuneration is paid to Managing / wholtime director, except the sitting fee paid to independent non executive directors for attending Board / Committee meetings during the year.

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Company has a Share Transfer Committee (STC), which also caters to the responsibilities to and obligations of the Shareholders / Investors Transfer / Grievance Committee, and holds its meetings as and when necessary. M/s. Mas Services Ltd., New Delhi, is Company's Share Transfer Agents for both i.e. demat and physical. The Company has delegated the authority for transfer of shares upto 250 to the Company Secretary and from 251 to 500 to the Managing Director. Transfer above 500 is to be placed and approved by the Committee. Shri SK Bajpai, Head - Legal & Company Secretary of the Company is acting as Secretary of all Committees as well as Compliance Officer of the Company.

6. DIRECTORS

Shri S Lahiri, Shri SK Chanana and Dr.BK Modi resigned from the Board of Directors w.e.f. 24.03.2008, 14.06.2008 and 19.07.2008 respectively and Shri Alok Modi, Shri Arvind Nath Seth, Shri Sanjivan Sahni were appointed as Additional Directors w.e.f. 14.06.2008. Profile of appointed directors are given in the notice convening 36th Annual General Meeting of the Company.



7. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
2006-2007	Dayawati Modi Public School, Modinagar	03.11.2007	11.30 A.M
2005-2006	Dayawati Modi Public School, Modinagar	29.12.2006	11.30 A.M
2004-2005	Dayawati Modi Public School, Modinagar	28.09.2005	11.30 A.M

None of the resolutions was put through postal ballot at the aforesaid meetings.

8. DISCLOSURES

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

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

i) Subsidiaries :

- Modistone Limited (in liquidation) - Official Liquidator has taken charge of the Company w.e.f. 25.7.2002, i.e. the date of appointment of Official Liquidator by Bombay High Court. The company had provided Corporate Guarantee of Rs. 354 lacs to a Bank.
 - Superior Investment (India) Limited
 - Spin Investment (India) Limited
 - Modi Tyres Company Private Limited
- The following transactions were carried out with related parties in the ordinary course of business during the year :

Subsidiaries	(Rs.in lacs)
a. Expenses incurred by Spin Investment (India) Ltd. on behalf of MRL	548.27
b. Reimbursement to Superior Investment (India) Ltd. by MRL	0.35
c. Advance taken from Superior Investment (India) Limited for incurring expenses:	Nil
d. Expenses incurred by MRL on behalf of Modi Tyres Company Private Ltd.	3038.65
e. Transfer of Assets/Liabilities (Net)	1527.52
f. Payables at the year end as on 31.03.2008 to Spin Investment	1752.42
g. Payables at the year end as on 31.03.2008 to Superior Investment	247.85
h. Payables at the year end as on 31.03.2008 to Modi Tyres Company Private Ltd.	117.95
i. Sitting fee paid to Non Executive Directors	1.60

ii) Key Management Personnel :

Mr. Vinay Kumar Modi, Managing Director Nil

II Details of non-compliance by the company, penalties, strictures imposed on the Company by stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

There have been certain non-compliances in the past when

the Company was passing through difficult phase of its sickness etc. and the same were notified in the Reports on Corporate Governance of earlier years. BIFR, vide its order dated 21st April, 2008 sanctioning the Rehabilitation Scheme for the Company, has directed the National and Mumbai Stock Exchanges to condone / consider to condone all past non-compliances or contraventions of the Listing Agreements and re-instate the trading in shares of the company. As of now, Company is making all and full compliances and has made representations to the Mumbai and National Stock Exchanges to respect the order of the Hon'ble BIFR and revoke suspension of trading in its shares.

9. MEANS OF COMMUNICATION

Quarterly / Annual Financial Results of the Company are normally published in The Pioneer (national daily) and Vir Arjun (regional language) newspapers. The requisite information as required under the Listing Agreement is sent to the Stock Exchanges through fax / speed post / e-mail / courier etc. Company is yet to have its own web-site.

No representation was made to the Analysts. A Management Discussion and Analysis Report, which forms part of the Annual Report, is given by separate annexure and is attached to the Directors' Report.

10. GENERAL INFORMATION

- Date, time and venue of the Annual General Meeting

Date	30.9.2008
Time	10.00 AM
Venue	Auditorium, Dayawati Modi Public School Modinagar-201 204
- Date(s) of Books Closure 23.09.2008 to 30.09.2008 (both days inclusive)
- Financial Calendar 01.04.2007 to 31.03.2008 (12 months)
- Dividend payment Nil
- Listing at Stock Exchange(s) National Stock Exchange Bombay Stock Exchange Listing fee for the year 2008-09 duly paid.
- Stock Code National Stock Exchange MODIRUBBER Bombay Stock Exchange MODIRUBB
- Stock Market Data Since the trading in securities of the Company remained suspended in the Stock Exchange(s) since November, 2002, information relating to the share price is not available.
- Registrar and Transfer Agents Mas Services Ltd. AB-4 Safdarjung Enclave New Delhi 110 029. Phone 011- 26104142, Fax No. 011 – 26181081 E-mail: masserv@glasdl01.vsnl.net.in

i) Share Transfer System

M/s. Mas Services Ltd. are the Share Transfer Agents of the Company for handling both physical and demat share registry work. Shares received for transfer completed in all aspects in physical form are registered and dispatched normally within three weeks. Demat confirmations are normally sent within two weeks and thirty days in case of bulk request.

j) **Distribution of Shareholding**

The following is the distribution pattern of shareholding of equity shares of the Company as on 31.03.2008:-

No. of shares	No. of Share-holders	% of Share-holders	No. of Shares holding	% of Share-holding
1 - 5000	13781	95.17	1390003	5.55
5001 - 10000	485	3.35	346358	1.38
10001 - 20000	142	0.98	197156	0.79
20001 - 30000	27	0.19	67585	0.27
30001 - 40000	7	0.05	24443	0.10
40001 - 50000	6	0.04	27695	0.11
50001 - 100000	14	0.10	89801	0.36
100001 and above	18	0.12	22897491	91.44
TOTAL	14480	100.00	25040532	100.00

k) **Shareholding pattern as on 31.03.2008**

Category Shares held	No. of Shares held	% of Share-holding
Promoters	16138852	64.45
Banks, Insurance Companies	3379	0.01
Mutual Funds	700	0.00
Foreign Investing Institutions	228481	0.91
Bodies Corporate	3862692	15.43
NRI/OCBs	2411262	9.63
Indian Public	2395166	9.57
Total	25040532	100.00

l) **Dematerialisation of Shares and Liquidity**

Over 17.71% of the outstanding shares have been dematerialised upto 31.03.2008.

m) **Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity.**
The Company has not issued any GDRs / ADRs / Warrants/ or any convertible instruments.

n) Plant Location Modinagar,
District Ghaziabad. (U.P)

o) Address for Correspondence for transfer/dematerialisation of shares, and any other query
Mas Services Ltd.,
AB-4 Safdarjung Enclave
New Delhi - 110 029.
Phone : 011 - 26104142
Fax No. 011 - 26181081
E-mail : masserv@glasdl01.vsnl.net.in
Any query on Annual Report Secretarial Department,
Modi Rubber Ltd.,
4-7C, DDA Shopping Centre
New Friends Colony ,
New Delhi - 110 025
Phone 011 - 26848416,
26848417
Fax No.011 - 26837530

Non Mandatory requirements

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

CEO / CFO CERTIFICATION

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

For and on behalf of the Board

Place : New Delhi
Date : August 29, 2008

S.S. Kohli **V.K. Modi**
Chairman **Vice Chairman & Managing Director**

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Tyre Industry, beside the Economic Growth of the country, is driven by Growth in Transportation, Automobiles and Road Development. It has been growing at around 10% as a whole and 8% in Commercial Vehicle Tyre segment. The Automobile sector is booming in all segments. Road development triggered by the success of projects like Golden quadrilateral and North South road corridor of National Highway with emphasis on connecting roads to Ports and major economic zones provides impetus to vehicle movement giving boost to consumption of Tyres.

Apollo, MRF, JK, Ceat and Birla are the main players in the Truck, Bus tyre market. Bridgestone has gained considerably in the Passenger Radial market. The radialisation in Car Tyre is 97% while in the Truck/Bus tyre market it is 4-5% at present. Chinese Bias and radial tyres are also coming to Indian market.

MRL plans to outsource the stocking and distribution which will not only bring economy as it will be variable cost rather than fixed, but shall also improve delivery service to the market. Since the Tyre Production shall be under a subsidiary, it will be a clean company without carrying any Liability and will boost the prospects of Financing and Global partnering. Already the Company held negotiations with Continental, Germany and finalized the Technology Agreement and Brand use Agreement. It has been signed and shall be filed with the Government for Approval.

The strength of MRL has been its range of Truck/Bus tyres. This is also the profitable segment of the Tyre Market. The weakness shall be low volumes compared to most other companies and absence of Radial tyres. However the opportunity is in terms of reducing cost and start best business practices from the beginning, which will make the company competitive. The threat is from the large global players entering Indian market and the cheap Chinese imports.

The outlook is very bright as the demand is growing in India and there is enough market overseas. The company is planning to install the SAP to improve business efficiency and competitiveness. It will enable desired internal controls while improving the speed of information for fast decision making at all levels. Already, the system has been designed through Accenture, a leading global Company, and the implementation will be carried in the next 2-3 months. Best of the talent is being recruited to build human resources team to ensure that the company is run on professional lines.

Company has entered into agreement with majority of workmen individually. The agreement has defined the one time compensation against all past Liability till the date of fresh employment linked to the capacity utilization and Gratuity as per Gratuity Act and also production norms. The agreement will pave the way for good Industrial relations and productivity.



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

To the Members of
Modi Rubber Ltd.

We have examined the compliance of conditions of corporate governance by Modi Rubber Ltd. for the accounting year ended 31.03.2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

We state that no investor grievance is pending other than those which are under litigation, disputes or court orders, for a period exceeding one month against the Company as per the records maintained by the Company.

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

for **PDM & Co.**
(formerly: Prabhat Jain & Co.)

Place: New Delhi
Date: 29.08.2008

Prabhat Jain
Partner
Chartered Accountants

AUDITORS' REPORT

Report of the Auditors to the Shareholders

1. We have audited the attached Balance Sheet of Modi Rubber Limited as at 31st March 2008, the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that :-
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the requirements of the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956; and;
 - v) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
5. We further report that subject to:-
 - i) Note No. 4(b) regarding non-provision of Deferred Tax assets/ liability;
 - ii) Note No. 8 regarding non confirmation/ reconciliation of various balances of Suppliers, Customers, Advances etc;
 - iii) Note No. 12 regarding non ascertainment of value of intangible assets and value of impairment loss on Assets as per AS 26 & 28 respectively;

the total impact of the observations in para 5 above whose actual impact is presently not ascertainable and subject to conformation/ reconciliation of various balances of creditors and debtors, the said accounts read with other notes thereon, in our opinion and to the best of our information and according to the explanations given to us, we report that the said accounts subject to notes as mentioned above, give the information required by the Companies

Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-

- i) in the case of Balance Sheet, of the state of the Company's affairs as at 31st March 2008;
- ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and;
- iii) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

for P D M & Co.
[Formerly: Prabhat Jain & Co.]
CHARTERED ACCOUNTANTS

Place : New Delhi
Date : 29th August, 2008

CA. PRABHAT JAIN
Partner
M.No. 86756

ANNEXURE TO THE AUDITORS' REPORT

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

- i) a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
b) The fixed assets have not been physically verified by the management during the year. In view of non verification, it is not possible for us to comment, if there is any serious discrepancy.
c) In our opinion, the Company has disposed off a substantial part of its fixed assets during the year but the going concern status of the Company is not affected.
- ii) a) The inventories have been physically verified by the management at the year end.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to book records.
- iii) a) The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly clause 4 iii(b) to (g) of the order are not applicable.
- iv) In our opinion and according to the information and explanations provided to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets. The Company has not sold any goods during the year. We have not observed any continuing failure to correct major weaknesses in internal controls during the course of audit.
- v) a) As per information and explanations provided to us, the particulars of contracts or arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that Section.
b) As per information and explanations provided to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing Market prices at the relevant time.



- vi) The Company has not accepted any public deposits. Therefore provisions of section 58A, 58AA or any other relevant provisions of the Act and the directions issued by Reserve Bank of India are not applicable and therefore not commented upon.
- vii) No system of Internal Audit was operational during the year due to suspension of operations.
- viii) No Cost Records were maintained due to the suspension of operation.
- ix) (a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State

Insurance, Income Tax, Service Tax, Custom Duty, Excise Duty and any other statutory dues with the appropriate authorities except an amount of Rs. 2409.79 lacs (including interest) due to Sales Tax Authorities, as at the last day of the financial year concerned for a period of more than six months from the date they become payable.

- (b) According to information and explanations given to us, the dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute and the forum where the dispute is pending are as under :-

S. NO.	NAME OF THE STATUTE	NATURE OF DUES	AMOUNT Rs.lacs	FORUM WHERE DISPUTE IS PENDING	PERIOD TO WHICH IT RELATES TO
1.	Central Excise Act. 1944	Excise Duty	1602.97	High Court, customs, Excise, Service Tax, Tribunal (CESTAT)	1992 to 2002
2.	UP Trade Tax ACT/CST	Sales Tax	1138.02	High Court Tribunal DC (A) Jt. Commissioner	1974-1990 2001-2002 1998-1999 1999-2002
3.	Assam GST ACT	-do-	388.48	Various Authy	1977-2002
4.	W.B. ST ACT	-do-	237.03	Dy. Commissioner Tribunal Addl. Comm.	1975-2001 1975-2001 1988-1989
5.	M.P. Comm. Tax Act. Maharashtra ST Act.	-do- -do-	234.94 823.41	DC (A) DC (A) DC (A)	1981-2000 1975-2001 1977-1996
6.	Delhi ST Act.	-do-	315.21	D.C. (A) A.C. (A) Addl. Comm. (A)	1977-1983 1984-1993 1993-2002
7.	Rajasthan St. Act.	-do-	99.42	Tribunal DC (A)	1997-1998 1999-2002
8.	Kerala GST Act	-do-	660.90	D.C. (A)	1982-2001
9.	Karnataka ST Act	-do-	14.44	Jt. Comm. A.	1997-2001
10.	Punjab GST Act.	-do-	15.71	High Court Jt. Commissioner	1992-1993 1996-2000
11.	Bihar Finance Act.	-do-	375.63	ACA DC (A)	1999-2002 1991-1998
12.	Haryana CST Act	-do-	48.47	Jt. Commissioner	1999-2001
13.	A.P. GST Act.	-do-	95.58	Commissioner	1999-2001
14.	Orissa St Act	-do-	4.71	D.C (A)	1999-2002
15.	Goa St Act	-do-	5.69	D.C. (A)	2000-2001
16.	Uttaranchal TT Act.	-do-	13.50	Jt. Commissioner	2000-2001
17.	Gujarat S. Tax Act.	-do-	119.37	-	1996.97 SEP.01
18.	Jharkhand St. Act	-do-	92.27	DC (A)	1999-2000

- x) The accumulated losses at the end of the Financial year are more than 50% of the net worth of the Company The Company has not incurred any Cash Loss during the year. It has incurred Cash Loss during the year immediately preceding this financial year.
- xi) In our opinion and according to informations and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions, banks or debenture holders.
- xii) As informed to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not carrying on the business of Chit Fund, Nidhi, or Mutual Benefits Fund / Societies.
- xiv) The Company is not dealing or trading in Shares, Securities and other Investments.
- xv) The Company has not given any guarantee for loans taken by others from Banks & Financial Institutions.
- xvi) The Company has not obtained any fresh term loans during

the financial year.

- xvii) The Company has not raised any funds during the year, thus the question of use of short term funds for long term investments does not arise.
- xviii) The company has neither issued any fresh share capital nor made any preferential allotment during the year.
- xix) The Company has not issued any debenture during the year.
- xx) The Company has not raised any money by way of Public Issue during the year.
- xxi) As informed by the company, no case of any fraud on or by the Company has been noticed or reported during the year.

for P D M & Co.
[Formerly: Prabhat Jain & Co.]
CHARTERED ACCOUNTANTS

CA. PRABHAT JAIN
Partner
M.No. 86756

Place : New Delhi
Date : 29th August, 2008

BALANCE SHEET

AS AT 31ST MARCH, 2008

DESCRIPTION	Schedule	As at 31.03.2008 Rs. lacs	As at 31.03.2007 Rs. lacs
SOURCES OF FUNDS			
1. Shareholders' Funds			
a. Share Capital	1	2504.05	2504.05
b. Reserves & Surplus	2	5830.58	5830.58
		8334.63	8334.63
2. Loan Funds			
a. Secured Loans	3	4518.43	8963.51
b. Unsecured Loans	4	301.57	1284.16
		4820.00	10247.67
	TOTAL	13154.63	18582.30
APPLICATION OF FUNDS			
1. Fixed Assets			
a. Gross Block	5	9644.14	26723.55
b. Less: Depreciation		7493.62	21639.64
c. Net Block		2150.52	5083.91
d. Capital Work-in-progress		0.00	854.91
		2150.52	5938.82
2. Investments			
	6	9674.84	5107.67
3. Current Assets, Loans & Advances			
a. Inventories	7	1074.02	2045.22
b. Sundry Debtors		64.85	68.99
c. Cash & Bank Balances		1133.26	772.46
d. Loans & Advances		2240.36	2711.17
		4512.49	5597.84
Less : Current Liabilities & Provisions			
a. Liabilities	8	8963.57	18908.13
b. Provisions		20.70	15.50
		8984.27	18923.63
Net Current Assets/(Liabilities)		(4471.78)	(13325.79)
4. Profit & Loss Account			
		5801.05	20861.60
	TOTAL	13154.63	18582.30
Accounting Policies, Contingent Liabilities and Notes		13	

New Delhi 29th August, 2008	As per our Report Attached For PDM & Co. (formerly: Prabhat Jain & Co.) Chartered Accountants	Kamal Gupta Head – Finance & Accounts	Alok Modi S.C. Tripathi Pawan Chopra S.B. Kunwar Directors	S.S. Kohli Chairman
	CA. Prabhat Jain Partner	S.K. Bajpai Head – Legal & Company Secretary		V.K. Modi Vice Chairman & Managing Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

DESCRIPTION	SCHEDULE	Year ended 31.03.2008 Rs.lacs	Year ended 31.03.2007 Rs.lacs
INCOME			
Sales & Other Income	9	18651.60	1355.41
		<u>18651.60</u>	<u>1355.41</u>
EXPENDITURE			
Materials Cost	10	0.00	0.00
Expenses	11	2526.62	6232.67
Financing Charges	12	518.75	278.65
Depreciation		533.48	1835.48
		<u>3578.85</u>	<u>8346.80</u>
Profit/(Loss) before Tax		15072.75	(6991.39)
PROVISION FOR TAXATION			
Wealth Tax		(3.20)	(2.50)
Fringe Benefit Tax		(9.00)	(8.17)
Net Profit/(Loss) after Tax		<u>15060.55</u>	<u>(7002.06)</u>
Transfer from Debenture Redemption Reserve		0.00	871.00
Balance Loss brought forward from previous year		<u>(20861.60)</u>	<u>(14730.54)</u>
Balance being Loss carried to Balance Sheet		<u>(5801.05)</u>	<u>(20861.60)</u>
Basic and Diluted Earning Per Share (in Rupees)		60.14	(27.96)

Accounting Policies, Contingent Liabilities and Notes

13

New Delhi 29th August, 2008	As per our Report Attached For PDM & Co. (formerly: Prabhat Jain & Co.) Chartered Accountants	Kamal Gupta Head – Finance & Accounts	Alok Modi S.C. Tripathi Pawan Chopra S.B. Kunwar Directors	S.S. Kohli Chairman
	CA. Prabhat Jain Partner	S.K. Bajpai Head – Legal & Company Secretary		V.K. Modi Vice Chairman & Managing Director

SHARE CAPITAL SCHEDULE-1

DESCRIPTION	As at	As at
	31.03.2008	31.03.2007
	Rs. lacs	Rs. lacs
Authorised		
50000000 Equity Shares of Rs.10 each	5000.00	5000.00
200000 11% Cumulative Redeemable Preference Shares of Rs.100 each	200.00	200.00
	<u>5200.00</u>	<u>5200.00</u>
Issued,Subscribed and Paid-up		
25040532 Equity Shares of Rs.10 Each Paid up in Cash	2504.05	2504.05
TOTAL	<u>2504.05</u>	<u>2504.05</u>

RESERVES & SURPLUS SCHEDULE-2

DESCRIPTION	As at	As at
	31.03.2008	31.03.2007
	Rs. lacs	Rs. lacs
Capital Reserve : (On Forfeiture/re-issue of Debentures)	19.26	19.26
Share Premium Account As per last account	5782.32	5782.32
Debenture Redemption Reserve As per last account	29.00	900.00
Less:Transferred to Profit & Loss A/C	0.00	(871.00)
TOTAL	<u>5830.58</u>	<u>5830.58</u>

SECURED LOANS SCHEDULE-3

DESCRIPTION	As at	As at
	31.03.2008	31.03.2007
	Rs. lacs	Rs. lacs
Non Convertible Debentures		
18% Debentures of Rs.100 each	29.00	29.00
Interest accrued & due	14.09	10.75
Loans and Advances from Banks	3990.28	6351.98
Interest accrued & due	485.06	2571.78
TOTAL	<u>4518.43</u>	<u>8963.51</u>

Notes:

1. Non-Convertible Debentures held by Leaf Investment Pvt.Ltd., are secured by way of first charge on all Fixed Assets, both present and future.
2. Loans & Advances from banks are secured by way of hypothecation of inventories and bookdebts,second charge on all fixed assets, both present and future and personal guarantees of Dr. BK Modi,the then Managing Director and Shri VK Modi, Vice Chairman & Managing Director of the Company.



UNSECURED LOANS SCHEDULE-4

DESCRIPTION	As at	As at
	31.03.2008	31.03.2007
	Rs. lacs	Rs. lacs
From Others		
Dealers' Security Deposits	113.20	421.35
Inter Corporate Deposits	188.37	862.81
TOTAL	301.57	1284.16

FIXED ASSETS SCHEDULE - 5

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 01.04.2007	Additions during the year	Adjustments/ Deduction during the year	Total Cost as at 31.03.2008	Upto 31.03.2007	For the year	Adjustment/ Deduction	Upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs
Land	410.39	0.00	84.26	326.13	0.00	0.00	0.00	0.00	326.13	410.39
Buildings	5472.65	0.00	2006.09	3466.56	4011.65	88.70	1665.40	2434.95	1031.61	1461.00
Railway Siding & Locomotive Plant & Machinery	18.55	0.00	18.55	0.00	18.22	0.05	18.27	0.00	0.00	0.33
Furniture, Office Equipments & Electrical Installations etc.	16579.64	0.00	12988.19	3591.45	13634.72	401.48	11178.29	2917.91	673.54	2944.92
Patent & Trade Marks	3822.94	0.00	1792.19	2030.75	3577.03	38.30	1694.60	1920.73	110.02	245.91
Vehicles	0.08	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.08	0.08
	419.30	0.00	190.13	229.17	398.02	4.95	182.94	220.03	9.14	21.28
This year	26723.55	0.00	17079.41	9644.14	21639.64	533.48	14679.50	7493.62	2150.52	5083.91
Previous year	26730.99	4.47	11.91	26723.55	19815.03	1835.48	10.87	21639.64		
Capital work-in-progress									0.00	854.91
									2150.52	5938.82

NOTES:

- Land includes :-
 - Leasehold
- Building Includes :-
 - On leasehold basis
 - Office premises/flats on ownership basis in Co-operative Housing Societies, which are being formed
 - Alongwith cost of land on which depreciation charged on total cost
 - For which conveyance deed is yet to be executed
 - Alongwith other assets at Bombay, possession of which (except one floor) is with the company as per court decision, transfer of title of property is pending decision of court.

INVESTMENTS SCHEDULE - 6

DESCRIPTION	As at	
	31.03.2008	31.03.2007
	Rs. lacs	Rs. lacs
LONG TERM INVESTMENTS		
In Equity Shares of Companies- Fully paid up		
Quoted		
A. Trade Investments		
* 1,14,75,000 Modistone Limited of Rs. 10 each	2137.50	
Less : Provision for diminution in value of shares :	(2137.50)	0.00
		0.00
B. Other Investments		
19,79,998 Lords Chloro Alkali Limited (Formerly known as Modi Alkalies & Chemicals Ltd.) of Rs. 10 each	198.00	
Less : Provision for diminution in value of shares :	(178.20)	19.80
		19.80
12,50,000 Spark Plug Ltd. of Rs. 10 each	125.00	
Less : Provision for diminution in value of shares :	(125.00)	0.00
		0.00
44,00,000 Bihar Sponge Iron Ltd. of Rs. 10 each		440.00
43,40,000 Spice Mobiles Ltd. (Formerly known as Spice Ltd.) of Rs. 3 each		434.00
39,730 6.75% Tax Free Bonds of Rs. 100 each of Unit Trust of India		39.73
		39.73
	SUB TOTAL	933.53
		933.53
Unquoted		
32,00,000 Man B & W Diesel India Ltd.(Formerly known as Modi Mirreles Blackstone Ltd.) of Rs. 10 each		320.00
3,33,50,000 Gujarat Guardian Ltd. of Rs. 10 each		3335.00
31,37,000 Xerox India Ltd.(Formerly known as Xerox Modicorp Ltd.) of Rs. 10 each		459.30
** 29,915 Superior Investment (India) Ltd. of Rs. 100 each		29.92
** 29,915 Spin Investment (India) Ltd. of Rs. 100 each		29.92
** 4,56,71,744 Modi Tyre Company (P) Ltd.of Rs.10 each #		4567.17
	SUB TOTAL	8741.31
		4174.14
	TOTAL OF INVESTMENTS	9674.84
		5107.67
Aggregate market value of quoted Investments		1977.02
		925.26

* Subsidiary Company

** Wholly owned Subsidiary Company

4,56,61,744 Equity Shares yet to be allotted.



**CURRENT ASSETS, LOANS & ADVANCES
SCHEDULE - 7**

DESCRIPTION	As at	
	31.03.2008	31.03.2007
	Rs. lacs	Rs. lacs
CURRENT ASSETS		
a. Inventories (as taken, valued and certified by the management) (including in transit)		
Stores, Spare Parts and loose tools	215.17	1186.37
Raw Materials	2286.63	2286.63
Finished Goods	785.55	785.55
Goods-in-process	318.29	318.29
Scrap & Wastage	44.94	44.94
	3650.58	4621.78
Less: Provision for diminution in value of Inventory	(2576.56)	(2576.56)
TOTAL	1074.02	2045.22
b. Sundry Debtors		
Debts outstanding for a period exceeding six months		
Unsecured, Considered Good	64.85	68.99
Unsecured, Considered Doubtful	604.25	604.25
	669.10	673.24
Less: Provision for doubtful debts	(604.25)	(604.25)
TOTAL	64.85	68.99
c. Cash and Bank Balances		
Cash balance on hand	18.72	0.49
Balances with Scheduled Banks		
In Current Accounts	115.48	510.42
In Dividend Account	0.00	2.49
In Fixed Deposit/Margin Money Accounts	998.11	258.11
In Savings Account (Employees' Security)	0.95	0.95
TOTAL	1133.26	772.46

SCHEDULE - 7 (CONTD.)

DESCRIPTION	As at	
	31.03.2008	31.03.2007
	Rs. lacs	Rs. lacs
e. Loans & advances		
(unsecured, considered good unless otherwise specified)		
Loans :		
Lords Cholero Alkali Limited	142.17	142.17
Less : Provision for doubtful Loan	(127.96)	(127.96)
Modi Spg. & Wvg. Mills Limited (Note 5a)	460.31	460.31
Advances recoverable in cash or in kind or for value to be received and / or adjusted		
Staff	111.64	99.96
Others (Note 5b)	594.80	914.43
Sales Tax paid under protest/recoverable	146.11	143.01
Deposit with Government Deptt & Others	90.95	642.65
Balances with Customs,Excise,Port Trust etc.	947.39	569.44
	1890.89	
Less : Provision for doubtful advances	(163.92)	(273.62)
Prepaid Expenses	0.00	10.03
Income-tax paid	23.55	122.31
Wealth-tax paid	1.76	2.47
Fringe Benefit tax paid	13.56	5.97
TOTAL	2240.36	2711.17

CURRENT LIABILITIES & PROVISIONS SCHEDULE - 8

DESCRIPTION	As at	
	31.03.2008	31.03.2007
	Rs. lacs	Rs. lacs
a. Current Liabilities		
Acceptances	1867.03	3908.37
Sundry Creditors (Note 8)	5079.94	9031.64
Unclaimed Dividend	0.00	2.49
Provision for unascertainable future Liabilities	587.80	3000.00
Other Liabilities	1428.80	2965.63
TOTAL	8963.57	18908.13
b. Provisions		
Wealth tax	5.70	9.50
Fringe Benefit tax	15.00	6.00
TOTAL	20.70	15.50



SALES AND OTHER INCOME SCHEDULE - 9

DESCRIPTION	Year ended	Year ended
	31.03.2008	31.03.2007
	Rs. lacs	Rs. lacs
Sales less returns		0.00
Other Recoveries		0.00
		<u>0.00</u>
Less: Replacements,Cash discounts,Incentives, Octroi, Sales tax absorbed etc.		<u>0.00</u>
	"A"	<u>0.00</u>
Other Income		
Interest received on:		
Deposits,Loans and Advances(Gross)	180.15	72.02
(Tax deducted at source Rs 20.26 lacs)		
Investments	3.31	2.68
Dividend received	3354.00	1186.25
Excess Liabilities/Provisions/Sundry Balances/Written back/off (Net) (Note 1)	14727.10	0.00
Miscellaneous sales/income :		
Cenvat credit (AED) recovered	289.16	0.00
Rent and other Income	97.88	94.46
(Tax deducted at source Rs.13.22 lacs)		
	"B"	<u>1355.41</u>
		<u>18651.60</u>
TOTAL (A+B)	18651.60	1355.41

**MATERIALS COST
SCHEDULE - 10**

DESCRIPTION	Year ended	
	31.03.2008	31.03.2007
	Rs.lacs	Rs.lacs
Raw Materials Consumed		
Opening Stock		
Add:Purchases (Net)	2286.63	2477.97
	0.10	0.00
Less: Stock adjustment against advances	2286.73	2477.97
Closing Stock	(0.00)	191.34
Increase/Decrease in Stocks	2286.73	2286.63
0.00		
Opening Stock:		
Finished Goods	785.55	785.55
Goods-in-process	318.29	318.29
Scrap & Wastage	44.94	44.94
Less:Closing Stock	1148.78	1148.78
Finished Goods	785.55	785.55
Goods-in-process	318.29	318.29
Scrap & wastage	44.94	44.94
	1148.78	1148.78
Stock adjustment against Dealer's security		0.00
Reversal of Excise duty on Finished Goods Stock		0.00
		0.00
		0.00
TOTAL		0.00



EXPENSES SCHEDULE- 11

DESCRIPTION	Year ended		
	31.03.2008	31.03.2007	
	Rs.lacs	Rs.lacs	Rs.lacs
Rent		149.50	19.27
Power & Fuel		0.00	16.43
Stores, Spares & Oils consumed		0.00	0.03
Repairs & Maintenance:			
Plant & Machinery	0.00		4.01
Buildings	11.64		16.98
Others	9.63	21.27	9.98
Salaries, Wages, etc.		94.58	173.61
Contribution to Family Pension and Provident Fund		5.03	8.76
Rates & Taxes		27.02	32.47
Insurance Charges		0.00	6.51
Auditors' Remuneration:			
Audit Fee	1.50		0.84
For Certificates etc.	1.15		0.92
For Expenses	0.50	3.15	0.00
Travelling & Conveyance		37.00	49.11
Electricity Consumed		14.23	32.69
Legal & Professional Charges		444.33	425.60
Repairs & Maintenance to Vehicles		3.78	4.17
Telephone & Postage Expenses		13.34	13.54
Excess Liabilities/Provisions/Sundry Balances/ Written back/off (Net)		0.00	1944.91
Loss on Fixed Assets sold/discarded(Net)		1600.28	0.00
Provision for diminution in value of Investments		0.00	178.20
Provision for diminution in value of Inventory		0.00	2576.56
Provision for Doubtful Loans & Advances		54.94	635.07
Directors' sitting fee		1.60	1.60
Miscellaneous Expenses		56.57	81.41
TOTAL		2526.62	6232.67

FINANCING CHARGES SCHEDULE- 12

DESCRIPTION	Year ended		
	31.03.2008	31.03.2007	
	Rs.lacs	Rs.lacs	Rs.lacs
Interest on:			
Debentures & Other Fixed Loans	4.75		2.05
Others	513.43	518.18	268.38
Bank Charges etc.		0.57	8.22
TOTAL		518.75	278.65

ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES

SCHEDULE – 13

A. ACCOUNTING POLICIES

1. Method of Accounting Company generally maintains its accounts on accrual basis, except in case of certain items of Income/Expenditure where recovery/payment is uncertain. Accordingly, estimated benefits against exports remaining to be utilised / liability for duty free raw materials excess utilised as at the end of the year has been accounted for in arriving at the consumption of raw materials.

2. Inventory Valuation
 - (a) Stores, Spares Parts and Loose Tools At weighted average cost.
 - (b) Raw Materials At weighted average cost
 - (c) Finished Goods Lower of Cost or net realisable value.
 - (d) Goods-in-process Lower of Cost or net realisable value.
 - (e) Scrap and Wastage At estimated selling price.

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

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

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

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

6. Research & Development Revenue expenditure on research and development is charged as expense in the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets.

7. Investments Investments are stated at Cost. In respect of investment of a long-term nature (including in subsidiaries), provision is made for any diminution in the value wherever it is permanent in nature.

8. Foreign Exchange Transactions Foreign currency transactions are accounted at exchange rates prevailing on the date of transaction. Current Assets and Liabilities denominated in foreign currency as at the Balance Sheet date are reconverted at rates prevailing at the year-end and the resultant net gains or losses are adjusted in the Account.

9. Retirement Benefits Retirement benefits are dealt with in the following manner:

 - a) Contributions to Provident Fund are accounted on accrual basis with corresponding contribution to recognised funds for staff on actual duty.
 - b) Provision for Gratuity liability is made on the basis of actuarial valuation, with corresponding contribution to recognised fund. (No contribution from 1.10.2000).

B. CONTINGENT LIABILITIES

	As at	As at
	31.03.2008	31.03.2007
	Rs. Lacs.	Rs. Lacs.
1. Guarantees (Unconfirmed)	9.43	9.43
2. Sales Tax Matters	4682.78	5125.86
3. Excise / Customs Matters	1602.97	3401.80
4. Claims against The Company Not acknowledged as Debts	-	1682.06
5. Others		73.70



SCHEDULE – 13 (Contd.)

C. NOTES

1. BIFR vide its Order dated 21.04.2008 has sanctioned a Rehabilitation Scheme (Sanctioned Scheme) for revival of the Company, with cut off date as on March 31, 2008, under provisions of SICA. The effect of the scheme as well as disclosure required under AS -4 are as follows:-
In terms of Clause 5.2 of Scheme, Business operations of company are carved out in two identifiable business divisions as under :-
 - Business operations carried out at Modinagar Plant will continue to be owned and operated by company.
 - Business operations carried out at Modipuram and Partapur plants stand transferred to a new wholly owned 100% subsidiary company namely *Modi Tyres Company Private Limited (MTCPL)*. In consideration of business transfer, MTCPL shall issue equity shares to the Company.Liabilities of secured and unsecured creditors will be metted / settled out as per Scheme.
In terms of the Sanctioned Scheme, the Relief & Concessions from State Government / Departments inter alia are as under
 - (i) Relief on Payment of Principal, Interest and Penalty where Scheme provides "To Consider" subject to representations in this respect being made to the respective Department / State.
 - (ii) Relief of Interest and penalty where Scheme provides to grant the relief and concessions.
2. Land & Building at Modi Tyre Factory, Modinagar is on perpetual lease taken from Modi Export Processors Ltd. (MEPL). Pursuant to Allahabad High Court Order possession of the Factory is with the Official Liquidator. Company has taken appropriate legal action for getting possession of factory premises back from Official Liquidator to give effect to BIFR Order for implementation.
3. LOANS AND ADVANCES
 - a) Amount to Modi Spinning & Weaving Mills Company Ltd. (MSWL) (Rs. 460.31 lacs Net) includes Rs. 349.61 lacs appropriated by Punjab National Bank in the year 1992-93 towards the outstanding loan and interest payable by MSWL. The company has filed a suit against MSWL in respect of such claims, which is pending before the Delhi High Court.
 - b) Advances to others include :-
Rs. 358.91 lacs paid on behalf of Modi Fibres Limited (MFL) including direct payment of Rs.296.45 lacs to MIDC for purchase of land. MFL is yet to issue the shares for above said investment. The Company has filed a petition U/s 397 & 398 of the Companies Act, 1956 before Company Law Board. The Hon'ble Company Law Board has passed an interim order directing MFL not to alienate / transfer the fixed assets till the disposal of company application before Company Law Board.
4. a) No provision for taxation for the year ended 31st March 2008 is required to be made since there is no taxable income due to unabsorbed depreciation and brought forward losses.
b) In terms of Accounting Standard (AS-22) on accounting for Taxation of Income issued by the Institute of Chartered Accountants of India, the Company has not recognised the Deferred Tax Assets/Liability due to uncertainty of future profitability.
5. Sundry creditors include Rs. 2118.22 lacs being the amount spent by wholly owned subsidiary companies on behalf of the company, for meeting the routine expenses.
6. Expenses and claims relating to previous year adjusted in respective accounts not separately shown are Rs. 195.20 lacs (Debit [previous year Rs12.23 lacs (Debit)]).
7. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act, has not been given.
8. The balances of the suppliers, customers & advances etc. are subject to confirmation / reconciliation.
9. Earning per Share :

	2007-08	2006-07
Profit/(Loss) after Tax (Rs. Lacs)	15060.55	(7002.06)
Basic number of equity shares	25040532	25040532
Basic earning per share (Rs.)	60.14	(27.96)
10. The Company's operations comprise only one segment i.e. Automobile Tyres, Tubes & Flaps and therefore there is no other business/geographical segments to be reported as required under Accounting Standard (AS-17) of the Institute of Chartered Accountants of India.
11. Related Parties Disclosures in accordance with Accounting Standard (AS – 18) of The Institute of Chartered Accountants of India.

SCHEDULE – 13 (Contd.)

A) Subsidiaries:	% Holdings
a. Modistone Limited (in liquidation)	55.32
Official Liquidator has taken possession of the Company w.e.f. 25.07.2002- the date of appointment of Official Liquidator by Bombay High Court.	
ii) Superior Investment (India) Limited	100.00
iii) Spin Investment (India) Limited	100.00
iv) Modi Tyres Company Pvt Ltd Associates	100.00
i) Man Diesel India Limited (Formerly known as Man B&W Diesel India Limited)	20.00
ii) Gujarat Guardian Limited (GGL)	21.24
B) Key Management Personnel :	
Mr. Vinay Kumar Modi- Managing Director	
(No remuneration to Key Management Personnel during the year)	
The following transactions were carried out with related parties in the Ordinary course of business during the year:	
A) Subsidiaries	Rs. Lacs
i) Expenses incurred by Spin Investment (India) Ltd. on behalf of MRL.	548.27
ii) Payable at the year ended 31.03.2008	1752.42
B) i) Expenses incurred by MRL on behalf of Modi Tyres Co Pvt. Ltd	3038.65
ii) Transfer of Assets/Liabilities (Net)	1527.52
iii) Payable at the year ended 31.03.2008	117.95
C) i) Expenses incurred by Superior Investment (India) Limited	-
ii) Payable at the year ended 31.03.2008	247.85
D) Associates :	
i) Expenses incurred by MRL on behalf of GGL	10.52
ii) Receivables at the year ended 31.03.2008	1.58
12. Due to closure of operations, the value of intangible assets and value of impairment loss on assets as per Accounting Standard 26 and 28 respectively, issued by the Institute of Chartered Accountants of India, has not been ascertained.	
13. The company adopted Accounting Standard 15 (Revised) issued by The Institute of Chartered Accountants of India.	
Contribution for Employees Benefit :	

Defined Contribution Plans

- a. Provident Fund
- b. State Defined Contribution Plans
 - Employees Pension Scheme 1995

Provident Fund :

The Employees of the company receive defined contribution for Provident Fund benefit. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the company make monthly contributions at specified percentage of the employee's salary to the Provident Fund Trust and / or the concerned Provident Fund Authorities. The company has no liability to Fund the shortfall in the interest over the statutory rate declared by the Government.

The Company has recognized the following amounts in the Profit and Loss / Capital Work-in Progress for the year.

	2007-08
	Rs.in lacs
(a) Contribution to Provident Fund	8.46
(b) Contribution to employee Pension Scheme 1995	10.00

Defined benefit plans

Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme of Gratuity Fund Trust, administered and managed by the Independent Board of Trustees. The sections of the Company first makes the payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on the respective employee's salary and the tenure of employment and then gets the reimbursement from it. Vesting occurs upon completion of five years of service. Liabilities with regards to the Gratuity Plan are determined by actuarial valuation.



**Defined Benefit
Obligation (Gratuity)
31 March 2008
Rs. lacs**

A. The amounts (in Rs.) recognised in the balance sheet are as follows:	
Present value of funded obligations	27.03
Fair value of plan assets	27.03
Present value of unfunded obligations	(4.15)
Unrecognised past service cost	Nil
Net liability	(4.15)
B. The amounts (in Rs.) recognised in the statement of profit and loss are as follows:	
Current service cost	0.88
Interest on obligation	1.78
Expected return on plan assets	(2.25)
Net actuarial losses (gains) recognised in the year	0.34
Past service cost	Nil
Losses (gains) on curtailments and settlement	Nil
Total, included in 'employee benefit expense'	0.76
C. Changes in the present value of the defined benefit Obligation representing reconciliation of opening and closing balances thereof are as follows:	
Opening Defined Benefit Obligation on 1-4-2007	21.62
Service cost for the year	0.88
Interest cost for the year $2161717 * 0.0825$	1.78
Actuarial losses (gains)	(1.40)
Losses (gains) on curtailments	Nil
Liabilities extinguished on settlements	Nil
Liabilities assumed in an amalgamation in the nature of purchase	Nil
Exchange differences on foreign plans	Nil
Benefits paid	-
Closing defined benefit obligation on 31-3-2008	22.88
D. Changes in the fair value of plan assets representing reconciliation of the opening and closing Balances thereof are as follows:	
Opening fair value of plan assets	26.31
Expected return	2.25
Actuarial gains and (losses)	1.75
Assets distributed on settlements	Nil
Contributions by employer	0.22
Assets acquired in an amalgamation in the nature of purchase	Nil
Exchange differences on foreign plans	Nil
Benefits paid	-
Closing balance of fund	27.03
E. The major categories of plan assets as a percentage of total plan assets are as follows:	
Government of India Securities	-
High quality corporate bonds	-
Equity shares of listed companies	-
Property	-
policy of insurance	100%
Bank Balance	-
F. Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):	
Discount rate as on 31-3-2008	8.25%
Expected return on plan assets at 31-3-2008	8.50%
Proportion of employees opting for early retirement	-
Annual increase in Salary costs	5.25%

G. Gratuity Benefit

Amount for the current and previous four periods are as follows:

Defined benefit pension plans	
Defined Benefit Obligation	22.88
Plan assets	27.02
Surplus / (deficit)	4.15
Experience adjustments on plan liabilities	Nil
Experience adjustments on plan assets	Nil

Gratuity benefit of only these employees who are left with MRL is being considered. In view of excess contribution made in earlier years no provision has been made during the year.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

14. Additional information pursuant to the provisions of schedule VI of the Companies Act, 1956 (as amended):

Expenditure / Earnings in Foreign Currency / Exchange is Rs. Nil (Last year Rs. Nil).

FINISHED GOODS

Class of Goods		Installed * Capacity Per year	Opening	Production#	Sales Quantity** Amount (Rs.)	Closing
		(in lacs)	(in lacs)	(in lacs)	(in lacs)	(in lacs)
MANUFACTURED GOODS						
Automobile Tyres	Nos.	12.16	0.24	-	-	0.24
	Rs.	-	535.69	-	-	535.69
	Nos.	(24.20)	(0.24)	-	-	(0.24)
	Rs.	-	(535.69)	-	-	(535.69)
Automobile Tubes	Nos.	12.20	0.94	-	-	0.94
	Rs.	-	191.17	-	-	191.17
	Nos.	(24.20)	(0.94)	-	-	(0.94)
	Rs.	-	(191.17)	-	-	(191.17)
Automobile Flaps	Nos.	0.00	0.08	-	-	0.08
	Rs.	-	11.13	-	-	11.13
	Nos.	(2.09)	(0.08)	-	-	(0.08)
	Rs.	-	(11.13)	-	-	(11.13)
Camel Back/Retreading Material	Kgs.	00.00	-	-	-	-
	Rs.	-	-	-	-	-
	Kgs.	(13.40)	-	-	-	-
	Rs.	-	-	-	-	-
*** PURCHASES						
TRADING GOODS						
Automobile Tyres	Nos.	-	0.04	-	-	0.04
	Rs.	-	44.71	-	-	44.71
	Nos.	-	(0.04)	-	-	(0.04)
	Rs.	-	(44.71)	-	-	(44.71)
Automobile Tubes	Nos.	-	0.005	-	-	0.005
	Rs.	-	2.19	-	-	2.19
	Nos.	-	(0.005)	-	-	(0.005)
	Rs.	-	(2.19)	-	-	(2.19)
Automobile Flaps	Nos.	-	0.01	-	-	0.01
	Rs.	-	0.66	-	-	0.66
	Nos.	-	(0.01)	-	-	(0.01)
	Rs.	-	(0.66)	-	-	(0.66)

Notes : i) Licenced capacity not applicable - since delicensed.

ii) Figures in brackets are in respect of previous year.

* As certified by the management.

** Balancing figure/stock adjustment.

*** Net of purchase return.

Including conversion from outside.



15. Information pursuant to Notification GSR-386 (E) dated 15th May 1995.

(a) Registration Details

Registration No.: 3392

State Code : 20

Balance Sheet Date	31.03.2008	31.03.2007
(b) Capital Raised During the year		
Public Issue	NIL	NIL
Bonus Issue	NIL	NIL
Right Issue	NIL	NIL
Private Placement	NIL	NIL

III. Position of Mobilization and Deployment of Funds

Total Liabilities	13154.63	18582.30
Total Asset	13154.63	18582.30
Source of Funds		
Paid up Capital	2504.05	2504.05
Reserves & Surplus	5830.58	5830.58
Secured Loans	4518.43	8963.51
Unsecured Loans	301.57	1284.16
Application of Funds		
Net Fixed Assets	2150.52	5938.82
Investments	9674.84	5107.67
Net Current Assets	(4471.78)	(13325.79)
Accumulated Losses	5801.05	20861.60
Performance of Company		
Turnover/Other Income	18651.60	1355.41
Total Expenditure	3578.85	8346.80
Profit/(Loss) Before Tax	15072.75	(6991.39)
Profit/(Loss) After Tax	15060.55	(7002.06)
Earning per Share (Rupees)	60.14	(27.96)
Dividend Rate %	NIL	NIL

Generic Names of Principal Products/Services of Company (As per monetary terms)

Item Code No. (ITC Code)	Product Description
40112000	Automobile Tyres
40131002	Automobile Tubes
40129004	Automobile Flaps

16. Previous year figures have been regrouped/rearranged wherever necessary.

17. Schedules 1 to 13 form an integral part of the Balance Sheet and Profit & Loss Account and have been duly authenticated.

As per our Report Attached
For PDM & Co.
(formerly: Prabhat Jain & Co.)
Chartered Accountants
CA. Prabhat Jain
Partner

Kamal Gupta
Head – Finance & Accounts

S.K. Bajpai
Head – Legal &
Company Secretary

Alok Modi
S.C. Tripathi
Pawan Chopra
S.B. Kunwar
Directors

S.S. Kohli
Chairman

V.K. Modi
Vice Chairman &
Managing Director

New Delhi
29th August, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	2007-2008	2006-2007
	Rs. Lacs	Rs. Lacs
A. Cash Flow from operating activities		
Net Profit/(Loss) before tax and extraordinary items	15072.75	(6991.39)
Add: Adjustments for:		
Depreciation	533.48	1835.48
Provision for diminution in value of Investments	0.00	178.20
Provision for diminution in value of Inventory	0.00	2576.56
Lease rent	0.00	2.52
Interest Paid	518.18	270.43
Interest Received	(183.46)	(74.70)
Miscellaneous income	(289.16)	0.00
Net (Profit)/Loss on Fixed Assets sold/discarded	1600.64	0.00
Provision made for doubtful debts and advances	54.94	635.07
Balances /Provisions not required Written back/off (Net)	(14727.10)	1944.91
Dividend/Income received from units	(3354.00)	(1186.25)
Operating profit before working capital changes	(15846.48)	6182.22
Adjustments for:	(773.73)	(809.17)
(Increase)/Decrease in Trade and other receivables	(636.66)	(32.76)
Increase/(Decrease) in Trade payable	639.86	136.92
	3.20	104.16
Cash generated from operations before tax	(770.53)	(705.01)
Add: Taxes (paid)/refund	89.82	(7.90)
Net cash generated from operating activities	(680.71)	(712.91)
B. Cash flow from investing activities:		
Interest received	175.55	117.46
Dividend received	3354.00	1186.25
Fixed deposit matured	0.00	1617.00
Purchase of Fixed Assets	0.00	(4.47)
	3529.55	2916.24
Less: Increase in investments	(2457.18)	0.00
Net cash generated from investing activities	1072.37	2916.24
C. Cash Flow from financing activities:		
Increase/(Decrease) in Borrowings	0.00	(2115.68)
Repayment of finance lease liabilities	0.00	(2.52)
Interest paid	(28.37)	(11.23)
Net cash used in financing activities	(28.37)	(2129.43)
Net increase/(decrease) in cash and cash equivalent(A+B+C)	363.29	73.90
Cash and cash equivalents as at the begining of the year	769.02	695.12
Cash and cash equivalents as at the end of the year	1132.31	769.02
NOTES: 1. Cash and Cash equivalents includes.		
Cash, Cheques in hand and remittance in transit.	18.72	0.49
Balance with Banks.	1113.59	768.53
	TOTAL	TOTAL
	1132.31	769.02
2. Previous year figures have been regrouped/rearranged wherever necessary so as to make them comparable with those of the current year.		

	Kamal Gupta Head – Finance & Accounts	Alok Modi S.C. Tirpathi Pawan Chopra S.B. Kunwar Directors	S.S. Kohli Chairman V.K. Modi Vice Chairman & Managing Director
New Delhi 29th August, 2008	S.K. Bajpai Head – Legal & Company Secretary		

AUDITORS' REPORT

To
The Board of Directors
Modi Rubber Limited
New Delhi

We have examined the Cash Flow Statement of M/s. Modi Rubber Limited for the year ended 31st March 2008. The Statement has been prepared by the company in accordance with the requirements of clause 32 of listing agreements with The Stock Exchanges and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the company covered by our report of 29th August, 2008 to the members of the company.

for PDM & Co.
(formerly: Prabhat Jain & Co.)
Chartered Accountants
CA. PRABHAT JAIN
Partner

New Delhi
29th August, 2008



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

1 Names	Modi Tyres Company Private Limited	Superior Investment (India) Ltd.	Spin Investment (India) Ltd.	Modistone Ltd.*
2 Number of shares held in the Subsidiary Companies	10,000 Equity shares of Rs.10/- each fully paid up	29,915 Equity shares of Rs.100/- each fully paid up	29,915 Equity shares of Rs.100/- each fully paid up	1,14,75,000 Equity shares of Rs.10/- each fully paid up
3 Percentage of share holding	100%	100%	100%	56.32%
4 Financial year ended	31.03.2008	31.03.2008	31.03.2008	-
5 Profits / (Losses) of the Subsidiary Companies for their financial year so far as they concern the members of Modi Rubber Limited which have not been dealt within the accounts of Modi Rubber Limited for the year ended 31.03.2008	Rs./lacs	Rs./lacs	Rs./lacs	Rs./lacs
For the year	-	(0.17)	81.89	-
For the previous year	-	0.07	623.60	-
6 The net aggregate of Profit / (Losses) of the Subsidiary Companies which have been dealt within the accounts of Modi Rubber Limited for the year ended 31.03.2008				
For the year	N.A.	N.A	N.A.	N.A
For the previous year	N.A.	N.A	N.A.	N.A

* As per order of Hon'ble Bombay High Court the Company has been is in liquidation, and Official Liquidator has been appointed on 25.07.2002. Therefore, the Annual Accounts of Modistone Limited after the accounting year ended 30.09.2001 are not available

** No Profit and Loss Account has been prepared

New Delhi 29th August, 2008	Kamal Gupta Head – Finance & Accounts	Alok Modi S.C. Tripathi Pawan Chopra	S.S. Kohli Chairman
	S.K. Bajpai Head – Legal & Company Secretary	S.B. Kunwar Directors	V.K. Modi Vice Chairman & Managing Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 24th Directors' Report together with the Audited Statement of Accounts of the Company for the Accounting Year ended 31st March, 2008

WORKING RESULTS

During the year under review, Company incurred loss of Rs 0.14 lac (Previous year profit of Rs.0.07 lac)

DIRECTORS

Shri SB Kunwar retires by rotation and, being eligible, offers himself for re-appointment.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposit from public during the period under review.

STATUTORY DISCLOSURES

There have been no employees covered under section 217 (2A) of the Companies Act, 1956, read with the Rules made thereunder during the relevant period.

There is no information with respect to conversion of energy, technology absorption, foreign exchange etc., pursuant to section 217 (1) (e) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that :

- in preparation of the annual accounts the applicable accounting standards has been following alongwith proper explanation relating to material departures
- the Directors has selected such accounting policies and applied them consistently except that no provision has been made for permanent diminution in the value of current investment being excess of cost over market value. Subject to the above, the Directors have 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.
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors had prepared the annual accounts on a going concern basis.
- That the above statements have been made to the best of knowledge and belief of the directors.

AUDITORS

M/s. Nahta Jain & Associates, Chartered Accountants, shall hold office as statutory auditors upto the ensuing Annual General Meeting and are eligible for reappointment.

Auditors' observations, if any, in their Report do not need any further comment.

COMPLIANCE CERTIFICATE

Compliance Certificate to Section 383A of the Companies Act, 1956 is attached as Annexure A.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation to the Banks and other stakeholders for their support.

**FOR AND ON
BEHALF OF THE BOARD**

**S. B. KUNWAR
CHAIRMAN**

Place : New Delhi
Dated: 29.08.2008

AUDITORS' REPORT

To the members of
SUPERIOR INVESTMENT (INDIA) LIMITED

- We have audited the attached Balance Sheet of SUPERIOR INVESTMENT (INDIA) LIMITED as at March 31, 2008 and also the Profit and Loss account for the year ended on that date both annexed hereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 we give our comments on the clauses mentioned in paragraphs 4 of the said order and in a statement attached to this report as Annexure - A
- Further to our comments in the Annexure referred to above, we report that :
 - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - In our opinion, proper books of account as required by the Companies Act, 1956 (as amended) have been kept by the Company, so far as appears from our examination of these books.
 - The attached Balance Sheet and Profit and Loss Account are in agreement with the books of account.
 - In our opinion, the Profit and Loss Account and Balance Sheet comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - On the basis of written representations received from the directors, as on 31st March 2008 and taken on record by the board of directors, we report that none of the directors of the company is disqualified as on 31st March, 2008 from being appointed as a director in terms of section 274 (1) (g) of the Companies Act, 1956.
 - In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon and significant accounting policies appearing in Schedule 8, give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India;
 - In case of the Balance Sheet, of the state of affairs of the Company as at March 31st 2008 and
 - In case of Profit and Loss Account, of the Loss for the year ended on that date.

For Nahta Jain & Associates
Chartered Accountants

Place : New Delhi
Date : 29.08.08

CA.Gaurav Nahta
(Partner)

M.No. 116735

ANNEXURE 'A' REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

The comments are in seriatim of the order.

- Company does not have any fixed assets and as such there are no comments on sub clauses a) b) and c).
- The Company does not have any inventory, as such there are no comments on sub clauses a), b) and c).
- A) The company has not taken any loans, secured or unsecured, from any firms, companies or other parties covered in register maintained u/s 301 of the Companies Act, 1956, hence sub-clauses (a) to (d) are not applicable.
B) The company had granted unsecured loans in the nature of advances to its holding Company, which is covered u/s 301 of the Companies Act 1956 of which loans of Rs. 247.84 lacs were outstanding at the year end. The maximum amount of loan granted to the said company during the year was Rs. 247.84 lacs.
C) According to the information and explanations given to us, interest has not been charged and the terms and conditions have not been settled, the loan has been given to the holding company therefore we are unable to comment whether the terms are, prima facie, not prejudicial to the interest of the company.
D) The loans outstanding at the year end are at call. The company to whom the loan has been granted has been registered in the Board for Industrial and Financial Reconstruction (BIFR) on 17.03.2004 and is facing cash crunch, therefore we are not able to comment on the recoverability of the same.
- The company has not purchased any inventory or fixed assets and has not sold any goods during the year. Hence, we cannot comment upon the internal control procedures adopted by the company.
- (a) During the year, neither the company has reported nor we came across with any transaction which is required to be entered in the register maintained in pursuance of section 301 of the Act. Hence clause (b) is not applicable.
- The company has not accepted deposits from the public
- The company does not have internal audit system.
- The maintenance of cost records as prescribed by the central government u/s 209 of the Act are not applicable to the company
- According to the information and explanations given to us and the records of the Company examined by us, the company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, income tax, wealth tax, customs duty, excise duty, cess and other material statutory dues applicable. We are informed that there are no undisputed statutory dues as at the year end outstanding for a period of more than six months from the date they became payable.
- According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax, service tax, customs duty and cess matters which have not been deposited on account of any dispute.
- The Company does not have accumulated losses but has incurred cash loss of Rs.17,000/- during the year.
- The company does not have any loan from Bank, Institution or Debenture holders, therefore default in repayment does not arise.
- As informed the Company has not granted loans and advances on the basis of any security by way of pledge of shares, debentures and other securities.
- The company is not a Nidhi/Mutual Benefit Fund/Society therefore the sub-clauses (a) to (d) are not applicable.
- In our opinion and according to the information and explanation given to us the Company does not deal a Trade in Shares, Securities, debentures and other instruments however, The Company has made the long term investments in the shares of group company & others.
- As at present, the company has not given any guarantee and as such the clause is not applicable.
- The company has not raised any term loan and as such there are no comments.
- The company has neither raised nor utilized any short term or long term loans during the year under audit.
- No preferential allotment has been made during the year under audit.
- The company has not issued any debentures hence the clause is not applicable.
- No money has been raised by the company through public issue during the year under audit, hence no disclosure required.
- Accordingly to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For Nahta Jain & Associates
Chartered Accountants

Place : New Delhi
Date : 29.08.08

CA.Gaurav Nahta
(Partner)
M.No. 116735

BALANCE SHEET

AS AT 31ST MARCH, 2008

	Schedule	As at 31.03.2008 (RS./ Lacs)	As at 31.03.2007 (RS./ Lacs)
I SOURCE OF FUNDS			
Shareholders's Funds			
Share Capital	1	29.92	29.92
Reserves & Surplus	2	263.47	263.64
Total		293.39	293.56
II APPLICATION OF FUNDS			
Investments	3	26.05	26.05
Current Assets, Loans and Advances			
Cash and Bank Balances		0.45	0.26
Sundry Debtors		0.24	0.24
Loans and Advances		266.84	267.20
		267.53	267.70
Less : Current Liabilities & Provisions			
Current Liabilities	5	0.19	0.19
Provisions		-	-
		0.19	0.19
Net Current Assets		267.34	267.51
TOTAL		293.39	293.56
Accounting policies and notes to accounts	6		

As per our attached report of even date

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2008

	For the Year Ended 31.03.2008	For the Year Ended 31.03.2007
INCOME		
Dividend Received	0.19	0.18
Total	0.19	0.18
EXPENDITURE		
Audit Fee	0.11	0.10
Director's Sitting Fee & Expenses	0.11	0.00
Filing fee	0.05	0.00
Legal & Professional charges	0.08	0.00
Bank charges	0.01	0.01
Total	0.36	0.11
Profit/(Loss) before Taxation	(0.17)	0.07
Provision for Taxation	0.00	0.00
Profit/(Loss) after Taxation	(0.17)	0.07
Surplus brought forward from previous year	0.14	0.07
Balance Carried to Balance Sheet	(0.03)	0.14
Accounting policies and notes to Accounts	6	

As per our attached report of even date

for NAHTA JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

GAURAV NAHTA
PARTNER

VIJAY GUPTA
Director

M.P. TYAGI
Director

S.B. KUNWAR
Chairman

New Delhi
Date : 29.08.2008

SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS

	(Rs. Lacs)		
	AS AT	AS AT	AS AT
	31.03.2008	31.03.2007	31.03.2007
SCHEDULE 1 - SHARE CAPITAL			
Authorised Capital			
80000 Equity shares of Rs. 100/- each	80.00	80.00	
20000 11% Redeemable Preference Shares of Rs. 10/- each	<u>20.00</u>	<u>20.00</u>	
	100.00	100.00	
Issued, Subscribed and Paid up			
29915 Equity Shares of Rs. 100/- each Fully Paid up	29.92	29.92	
(Entire Equity Shares are held by holding company)			
TOTAL	<u>29.92</u>	<u>29.92</u>	
SCHEDULE 2 - RESERVES & SURPLUS			
General Reserves	263.50	263.50	
Profit & Loss Account	(0.03)	0.14	
TOTAL	<u>263.47</u>	<u>263.64</u>	
SCHEDULE 3 - INVESTMENTS			
LONG TERM INVESTMENTS			
In Shares of Companies			
QUOTED			
880 Equity Shares of Housing Development Finance Corpn. Ltd. of Rs. 10/- each fully paid up	0.06	0.06	
UNQUOTED			
96000 Equity Shares of Modi Carpets Ltd. (96000) of Rs. 10/- each fully paid up.	6.19	6.19	
95000 Equity Shares of Xerox Modicorp Ltd. (95000) of Rs. 10/- each fully paid up.	9.50	9.50	
9000 Equity Shares of Licensintorg Co. (I) Pvt. Ltd. of Rs. 100/- each fully paid up.	9.00	9.00	
11550 Equity Shares of Kesha Processors Ltd. (Formerly known as Chic Creation(I) Ltd.) of Rs. 10/- each fully paid up.	1.05	1.05	
CURRENT INVESTMENTS			
In Units of mutual funds			
QUOTED			
2500 Units of Prudential ICICI Technology (2500) Fund of Rs. 10/- each fully paid up.	0.25	0.25	
TOTAL	<u>26.05</u>	<u>26.05</u>	
Aggregate Book Value of quoted investments	0.31	0.31	
Aggregate Market Value of quoted investments	20.98	13.76	
Aggregate Book Value of unquoted investments	25.74	25.74	

	As At	As At	
	31.03.2008	31.03.2007	31.03.2007
	(Rs./ Lacs)	(Rs./ Lacs)	(Rs./ Lacs)
SCHEDULE 4 - CURRENT ASSETS, LOANS AND ADVANCES			
CURRENT ASSETS			
Cash & Bank Balances			
Balance with Scheduled Bank in Current Account	0.45	0.26	
	<u>0.45</u>	<u>0.26</u>	
SUNDRY DEBTORS			
(Considered Good)			
Outstanding for less than six months	0.24	0.24	
	<u>0.24</u>	<u>0.24</u>	
Loans and Advances			
Modi Rubber Limited	247.84	248.20	
Other advances	19.00	19.00	
	<u>266.84</u>	<u>267.20</u>	

SCHEDULE 5 - CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities			
Expenses Payable	0.19	0.19	
	<u>0.19</u>	<u>0.19</u>	
Provisions			
Provision for Taxation	-	-	

**SCHEDULE - 6
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS**

A) Significant Accounting Policies :

1. Basis of accounting

The financial statements are prepared under the historical cost convention on the concept of a going concern, in accordance with the applicable accounting Standard issued by The Institute of Chartered Accounts of India and relevant presentation requirement of the Companies Act, 1956 (as amended), except as stated other wise.

2. Investments

a) Long term Investments are stated at cost. No provision is made for diminution in the value of investments unless it is of permanent nature.

b) Current Investment are valued at cost.

3. Revenue recognition

Income and expenditure are recognized on accrual basis.

4. Taxes on Income

Taxes on income are accounted for in accordance with Accounting Standard - 22 on accounting for taxes' Deferred Tax Assets are recognized only to the extent that there is reasonable certainty of future profits against which such deferred tax assets could be realized.

B) Notes to accounts

- The Company jointly with Spin Investment (India) Limited stood as guarantor to State Bank of Hyderabad (SBH) for credit facilities sanctioned to MBM Limited (in liquidation). Due to non payment of dues. SBH brought DRT order dated 25.9.1999 for the recovery of Rs. 106.39 lacs with pendent elite and future interest @ 19.38% p.a. As against the said order, the Company made one time full and final settlement of its share with SBH and paid Rs. 50.28 lacs. which was appearing as advance in the books. Looking at present state of affairs of MBM Limited (in liquidation) its recovery appears doubtful, hence the said advance has been written off to the extend of 75% and balance 25% is appearing in the books of account.
- The Company has not recognized any deferred tax assets/liabilities in the books of account due to uncertainty of future profitability.
- Application for registration u/s 45 1 a of the RBI Act, 1934 (2 of 1934) was made on 08.08.1997 and communication from RBI is still awaited.
- The Company is a Deemed Limited Company u/s 43A of the Companies Act. 1956. However, section 43a is not applicable after the commencement of companies (amendment) Act, 2000 i.e. 13.12.2000. Consequently, the company has to inform to Registrar of companies that is has become Private Limited Company Necessary action is being taken to comply with above requirement.

Additional information as required under Schedule VI to the companies Act. 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. 12512 State Code 55

Balance Sheet Date 31 03 08

II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
29339	29339
Sources of Funds	Reserves and Surplus
Paid up Capital	26347
2992	
Secured Loans	Unsecured Loans
NIL	NIL
Application of Funds	Investments
Net Fixed Assets	2605
NIL	
Net Current Assets	Misc. Expenditure
26734	NIL
Accumulated Losses	
NIL	

IV Performance of Company (Amount in Rs. Thousands)

Turnover/Income	Total Expenditure
19	36
+/- Profit/Loss before Tax	+/- Profit/Loss After Tax
-17	-17
Earning per Share in Rs. 100 each in Rs.	Dividend Rate %
NIL	NIL

V Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Not applicable since it is an investment company

for NAHTA JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

GAURAV NAHTA
PARTNER

VIJAY GUPTA
Director

M.P. TYAGI
Director

S.B. KUNWAR
Chairman

New Delhi
Date : 29.08.2008

DIRECTORS' REPORT

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 25th Directors' Report together with the Audited Statement of Accounts of the Company for the Accounting Year ended 31st March, 2008

WORKING RESULTS

During the year under review, Company earned profit of Rs.81.96 lac (Previous year Rs.575.51 lac) after provisions for taxation. During the current year, Company sold its investment in shares in Godfrey Phillips India Ltd. Your Directors, however, do not recommend any dividend.

DIRECTORS

Shri RK Agarwal retires by rotation and, being eligible, offers himself for re-appointment. Company has received under Section 257 of the Companies Act, 1956 for appointment of Shri Kamal Gupta who was appointed as Additional Director, as Director of the Company.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposit from public during the period under review.

STATUTORY DISCLOSURES

There have been no employees covered under section 217 (2A) of the Companies Act, 1956, read with the Rules made thereunder during the relevant period. There is no information with respect to conversion of energy, technology absorption, foreign exchange etc., pursuant to section 217 (1) (e) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- in preparation of the annual accounts the applicable accounting standards has been following alongwith proper explanation relating to material departures
- the Directors has selected such accounting policies and applied them consistently except that no provision has been made for permanent diminution in the value of current investment being excess of cost over market value. Subject to the above, the Directors have 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.
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors had prepared the annual accounts on a going concern basis.
- That the above statements have been made to the best of knowledge and belief of the directors.

AUDITORS

M/s. SN Nanda & Company, Chartered Accountants, shall hold office as statutory auditors upto the ensuing Annual General Meeting and are eligible for reappointment.

Auditors' observations, if any, in their Report do not need any further comment.

COMPLIANCE CERTIFICATE

Compliance Certificate to Section 383A of the Companies Act, 1956 is attached as Annexure A.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation to the Banks and other stakeholders for their support.

For and on behalf of the Board,
for **SPIN INVESTMENT (INDIA) LTD.**

Place : New Delhi
Date : August 29, 2008

(S S Kohli)
Chairman

AUDITORS' REPORT

To,
The Members
Spin Investment (India) Ltd.

We have audited the attached Balance Sheet of Spin Investment India Limited as at 31st March, 2008 and the Profit Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principals used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- We Report that:
- Further to our comments in the Annexure referred to in paragraph 2 above, we Report that:
 - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - In our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of those books;
 - The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - In our opinion the Balance sheet & Profit Loss Account dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - In our opinion, based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2008 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies and other notes thereon give the information required by the companies Act, 1956, in manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
 - in so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2008,
 - in so far as it relates to the Profit Loss Account, the Profit of the Company for the year ended on that date.

For S.N. Nanda & Co.
Chartered Accountants
S.N. Nanda
Partner
M. No. 5909

Place : New Delhi
Date : 5.9.2008

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph (2) of our report of even date on the accounts of Spin Investment India limited for the year ended March 31, 2008:

- (a) The Company is generally maintaining proper records showing full particulars, including quantitative details and situation of As at the year end Company has no Fixed Assets.
(b) In our opinion, the fixed assets disposed off during the year were not substantial and do not effect the going concern assumption.
- The Company has no Inventory.
- (a) The Company had granted unsecured loans to one company covered in the register maintained under Section 301 of the Companies Act, 1956, of which loans of Rs. 1752.42 lacs were outstanding at the year end. The maximum amount of loan granted to the said company during the year was Rs. 1752.42 lacs.
(b) According to the information and explanations given to us, interest has not been charged and the terms and conditions have not been settled, the loan has been given to the holding company therefore we are unable to comment whether the terms are, prima facie, not prejudicial to the interest of the company.
(c) The loans outstanding at the year end are at call. The company to whom the loan has been granted has been registered in the Board for Industrial and Financial Reconstruction (BIFR) on 17.03.2004 and is facing cash crunch, therefore we are not able to comment on the recoverability of the same.
(d) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and service, in our opinion and according to the information & explanations to us, there is no continuing failure to correct major weakness in the internal control system.
- Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under the section.
- The company has not accepted any deposits from the public.
- The Company does not have internal audit system.
- (a) According to the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection of Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities.
(b) According to the information and explanations given to us and the records examined by us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise or cess which have not been deposited on account of dispute.
- The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial years.
- According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as at the balance sheet date.
- The Company has not granted any loans on the basis of security by way of pledge of shares and other securities.
- In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
- In our opinion and according to the information and explanations given to us, the Company does not deal or trade in shares, securities, debentures and other investments. However, it holds investment in shares of other bodies corporate, As explained to us, the application for registration under section 45 - 1 of the RBI Act 1934 (2 of 1934) was made. The communication in not received from RBI.
- As explained to us, the company has not given any guarantee for loans taken by others, from banks or financial institutions.
- According to the information and explanations given to us and the records examined by us, the company has not raised any term loan.
- On the basis on an overall examination of the balance sheet and cash flows of the Company and the information and explanations given to us, we report that the Company has not utilized the funds raised on short-term basis for long-term investment.
- The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- The Company did not issue any debentures during the year. The Company has not raised any money through a public issue during the year.
- Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.N. Nanda & Co.
Chartered Accountants
S.N. Nanda
Partner
M. No. 5909

Place : New Delhi
Date : 5.09.2008

BALANCE SHEET

AS AT 31ST MARCH, 2008

As at 31.03.2007 Rs.	LIABILITIES	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.	ASSETS	As at 31.03.2008 Rs.
	SHARE CAPITAL			INVESTMENTS	1989206.27
	AUTHORISED		1989206.27	(As per Annexure-I)	
8000000.00	80,000 Equity Shares of Rs. 100/- each	8000000.00		CURRENT ASSETS, LOANS & ADVANCES	
2000000.00	20,000 11% Redeemable Preference Shares of Rs.100/- each	2000000.00		A) CURRENT ASSETS:	
<u>10000000.00</u>		<u>10000000.00</u>		Bank Balance with Scheduled Banks in :	
	ISSUED, SUBSCRIBED & PAID UP		48200000	Fixed Deposit	2500000.00
2991500.00	29,915 Equity Shares of Rs.100/- each fully Paid Up (Entire Equity Capital is held by Holding Company)	2991500.00	2274895	Cash Account	24834.00
			120415190.22	Current Accounts	440937.53
	RESERVES & SURPLUS		7230974.78	B) LOANS & ADVANCES	
63965910.00	General Reserve	63965910.00	3000.00	(Unsecured Considered good)	
105904505.86	Profit & Loss A/c	114100571.11	352335.59	- Modi Rubber Ltd.	175242383.46
		178066481.11		- Advance Income Tax/TDS	7271068.85
	CURRENT LIABILITIES & PROVISIONS			- Security Deposit	3000.00
22704	Sundry Creditors	16854.00		- Interest accrued but not due	25405.00
598300.00	Proposed Dividend	0.00			
101682.00	Dividend Tax	0.00			
6855000.00	Provision for Taxation	6365000.00			
26000.00	Provision for FBT	57000.00			
180465601.86	TOTAL	187496835.11	180465601.86	TOTAL	187496835.11

Accounting Policies and Notes to Accounts (As per Annexure-II)

As per our Report attached
for S.N. NANDA & COMPANY
Chartered Accountants

S.N. NANDA
PARTNER (M. NO. 5909)

Place : New Delhi
Date : 5th September, 2008

R.K. AGARWAL
Director

KAMAL GUPTA
Director

S.S. KOHLI
Chairman

P PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2008

Previous Year Rs.	EXPENDITURE	Amount Rs.	Previous Year Rs.	INCOME	Amount Rs.
395331.00	Salary	410005.00	6525000.00	Dividend	7250000.00
289200.00	Car expenses	289200.00			
30743.49	Telephone expenses	39225.97	4182890.77	Interest (TDS Rs. 591828.00 (Previous Year Rs.930945.85))	2836478.09
	Auditors' remuneration :				
16836.00	Audit Fee	16854.00	53113235.62	Profit on Sale of Investments	0.00
0.00	For Expenses	0.00			
80000.00	Directors' sitting fee	60000.00	5574.00	Interest Recd. On Income Tax	47664.07
8000.00	Directors' Expenses	6000.00			
61248.93	General Expenses	49065.20	0.00	Miscellaneous Income	14593.00
39622.59	Bank Charges	4475.74			
511058.00	Legal/Professional Expenses	1084995.00			
34259.00	Interest Paid	0.00			
62360401.38	Balance (Profit) carried down	8188914.25			
63826700.39	TOTAL	10148735.16	63826700.39	TOTAL	10148735.16
10000.00	Provision for - FBT	31000.00	62360401.38	Balance (Profit) Brought down	8188914.25
6265000.00	Provision for taxation (Net) from previous year	100000.00	60519086.48	Balance (Profit) Brought forward	105904505.86
10000000.00	Transfer to General Reserve	0.00	0.00	Excess Provision Written Back	138151.00
598300.00	Proposed Dividend	0.00			
101682.00	Dividend Tax	0.00			
105904505.86	Balance (Profit) Carried to Balance Sheet	114100571.11			
122879487.86	TOTAL	114231571.11	122879487.86	TOTAL	114231571.11

Accounting Policies and Notes to Accounts (As per Annexure - II)

As per our Report attached
for S.N. NANDA & COMPANY
Chartered Accountants

S.N. NANDA
PARTNER (M. NO. 5909)

Place : New Delhi
Date : 5th September, 2008

R.K. AGARWAL
Director

KAMAL GUPTA
Director

S.S. KOHLI
Chairman

**INVESTMENTS
ANNEXURE-I**

DESCRIPTION	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
Long Term Investments In Shares of Companies		
Quoted		
290000 Equity Shares of Godfrey Phillips India (290000) Limited of Rs. 10/- each fully paid up	1988206.27	1988206.27
Unquoted		
10 Equity Shares of Indo Euro Industries Ltd. (10) of Rs. 10/- each fully paid up	1000.00	1000.00
TOTAL	1989206.27	1989206.27

Note : Figures in brackets are in respect of previous year.

Aggregate book value of quoted investments	1988206.27	1988206.27
Aggregate market value of quoted investments	376391000.00	331789000.00
Aggregate book value of unquoted investments	1000.00	1000.00

ANNEXURE - II

Accounting Policies and Notes to Accounts

Accounting Policies:

1 Basis of accounting:

The financial statements are prepared under the historical cost convention, in accordance with the applicable Accounting Standard issued by the Institute of Chartered Accountants of India and relevant requirements of the Companies Act, 1956 (as amended), except as stated otherwise.

2 Investments

Long-term investments are stated at cost.

3 Revenue recognition

Income and expenditure are recognised on accrual basis.

Notes to accounts:

- On completion of the Assessment for assessment year 2003-04 (accounting year ended 31.3.2003) the assessing officer raised a Demand of Rs. 354224/- . The company paid Demand under protest and has filed an appeal before the *Commissioner of Income Tax (Appeals)*, which is pending for disposal. As advised, no provision for tax has been made in the books of Account at this stage. The Provision, if any, will be made on disposal of appeal by the Appellate Authority/Court.
- One of the creditors of Modi Rubber Limited (MRL) - Holding Company, has filed a suit against the Company before Appellate Authority for Industrial & Financial Reconstruction (AAIFR), New Delhi for recovery of its dues amounting to Rs. 46,82,082.00 alongwith interest payable by MRL. Hon'ble AAIFR vide its order dated 22nd July, 2008, allowed the company to sale its investments.
- Previous year figures have been regrouped/rearranged wherever necessary so as to make them comparable with those of the Current year.

As per our Report attached
for S.N. NANDA & COMPANY
Chartered Accountants

S.N. NANDA
PARTNER (M. NO. 5909)

Place : New Delhi
Date : 5th September, 2008

R.K. AGARWAL
Director

KAMAL GUPTA
Director

S.S. KOHLI
Chairman

**Additional Information as required under Schedule VI to the
Companies Act, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL
BUSINESS PROFILE**

I Registration Details

Registration No. 13733 State Code 55

Balance Sheet Date 31 03 2008

II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue Right Issue

NIL NIL

Bonus Issue Private Placement

NIL NIL

**III Position of Mobilisation and Deployment of Funds
(Amount in Rs. Thousands)**

Total Liabilities Total Assets

187497 187497

Sources of Funds

Paid up Capital Reserves and Surplus

2992 178066

Secured Loans Unsecured Loans

NIL NIL

Application of Funds

Net Fixed Assets Investments

NIL 1989

Net Current Assets Misc. Expenditure

179069 NIL

Accumulated Losses

NIL

IV Performance of Company (Amount in Rs. Thousands)

Turnover Total Expenditure

10149 1960

+ - Profit/Loss Before Tax + - Profit/Loss After Tax

8189 8058

Earning per Share in Rs. Dividend Rate %

269 -

**V Generic Names of Three Principal Products/Services of Company
(As per monetary terms)**

Not applicable since it is an Investment Company

DIRECTORS' REPORT

The Members,
Modi Tyres Company Private Limited,
NEW DELHI

This is the 2nd Annual Report of the Board of Directors of the Company for the year ended 31st March, 2008 with little activity.

FUTURE OUTLOOK

Your Directors are pleased to inform that the following material events have, however, taken place during the current year:-

1. Your Company became Wholly Owned Subsidiary of Modi Rubber Limited ("MRL")
2. Pursuant to the BIFR order dated 21st April, 2008 sanctioning Scheme for Rehabilitation of MRL, the Business Operations of Modipuram and Partapur Plants of MRL, alongwith their specified assets and liabilities as mentioned in the enclosed Balance sheet of the Company, were transferred to your Company with effect from the cut off date, i.e. 31st March, 2008.
3. Your Company allotted its Equity shares of Rs. 56.05 Crores to MRL in consideration for transfer of the two Plants and towards expenses incurred by MRL on their repairs, upgradation, refurbishment etc.
4. Your Company has been successful in renewing Technical Assistance Co-operation and Trade Mark License Agreement with Continental AG of Germany, who were earlier technical collaborators of MRL. These Agreements are subject to approval of Government of India. The Company proposes to commence operations soon on receiving these approvals from the Government.
5. Trial runs of production at the Modipuram Plant have been carried out and its products have successfully stood the quality tests at Testing Centres owned by Continental in Malaysia and California.

In view of the above developments, Directors look forward for a bright future of your Company.

AUDITORS

M/s Pankaj Oswal & Co., Chartered Accountants of New Delhi, who shall be retiring at the forthcoming Annual General Meeting and, being eligible, have indicated their willingness to continue as Auditors of the Company. The observations made by the Auditors on the financial statements referred to in their reports are self-explanatory and do not need any comments.

DIRECTORS

Being subsidiary of Public Company, Shri Alok Modi shall retire at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. Board has designated Shri Alok Modi as Executive Director of the Company.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits from the public under Section 58A of the Companies Act, 1956, and the Rules made thereunder.

STATUTORY DISCLOSURES

There have been no employees covered under section 217 (2A) of the Companies Act, 1956, read with the Rules made thereunder during the relevant period. There is no information with respect to conversion of energy, technology absorption, foreign exchange etc., pursuant to section 217 (1) (e) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 217 (2AA) of the Companies Act, 1956, your directors have to state as follows:-

- (i) That, in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation for material departure, if applicable.
- (ii) That the directors have selected such accounting policies and applied them and made estimates and judgements 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.
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, except to the extent mentioned in the enclosed financial statements.
- (iv) That the directors have prepared the annual accounts on a going concern basis.
- (v) That the above statements have been made to the best of knowledge and belief of the directors.

ACKNOWLEDGEMENTS

Your directors are obliged to the Board for Industrial and Financial Reconstruction and Management of the Holding Company, Government and Statutory Agencies and other stakeholders for their cooperation and valuable support.

On behalf of the Board of Directors,
(Winay Kumar Modi)
Chairman

Place : New Delhi
Date : 29.08.2008

AUDITORS' REPORT

TO
THE MEMBERS OF M/s MODI TYRES COMPANY PRIVATE LIMITED

1. We have audited the attached Balance Sheet of M/s. Modi Tyres Company Private Ltd as at 31st March, 2008 for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Companies (Auditor's Report) order 2003, issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956 is not applicable to the Company.
4. Further we report that:
 - i) We have obtained all the information and explanations, which is the best of our knowledge and belief were necessary for the purposes of our audit:
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance Sheet dealt with by this report are in agreement with the books of account
 - iv) In our opinion, the Balance Sheet dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v) On the basis of written representations received from the Directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi) Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st march 2008.

for Pankaj Oswal & Co.
Chartered Accountants

Place: New Delhi
Date: 20th August, 2008

PANKAJ JAIN
Partner

BALANCE SHEET

AS AT 31ST MARCH, 2008

DESCRIPTION	Schedule	As at 31.03.2008 Rs. lacs	As at 31.03.2007 Rs. lacs
SOURCES OF FUNDS			
1. Shareholders' Funds			
a. Share Capital	1	1.00	1.00
		<u>1.00</u>	<u>1.00</u>
APPLICATION OF FUNDS			
1. Fixed Assets			
a. Gross Block	2	799.27	0.00
b. Net Block		799.27	0.00
c. Capital Work-in-progress		3894.13	0.00
		<u>4693.40</u>	<u>0.00</u>
Current Assets, Loans & Advances			
a. Inventories	3	771.84	0.00
b. Cash & Bank Balances		1.75	0.00
c. Loans & Advances		117.96	1.00
		<u>891.55</u>	<u>1.00</u>
Less : Current Liabilities & Provisions			
a. Liabilities	4	5584.31	0.26
		<u>5584.31</u>	<u>0.26</u>
Net Current Assets/Liabilities		(4692.76)	0.74
MISCELLANEOUS EXPENDITURE			
Preliminary Expenses		0.25	0.15
Pre operative Expenses		0.11	0.11
TOTAL		<u>0.36</u>	<u>0.26</u>
TOTAL		<u>1.00</u>	<u>1.00</u>

As per our Report Attached
For Punkaj Oswal & Co.
Chartered Accountants :

CA. Punkaj Jain
Partner
New Delhi
Date:

Alok Modi
Director

V.K. Modi
Director

SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS

	AS AT 31.03.2008	(Rs. Lacs) AS AT 31.03.2007
SCHEDULE 1 - SHARE CAPITAL		
Authorised		
10000 Equity Shares of Rs.10 each	1.00	1.00
	<u>1.00</u>	<u>1.00</u>
Issued, Subscribed and Paid-up		
10000 Equity Shares of Rs.10 Each	1.00	1.00
TOTAL	<u>1.00</u>	<u>1.00</u>

SCHEDULE 2 - FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Original Cost as at 01.04.2007	Additions during Year	Adjustments/ Deduction during the year	Total Cost As at 31.03.08	Upto 31.03.07	For the Year	Adjustments/ Deduction	Upto 31.03.08	As At 31.03.08	As at 31.03.07
Land		84.26		84.26					84.26	0
Buildings		343.08		343.08					343.08	0
Plant & Machinery		306.41		306.41					306.41	0
Furniture, Office										
Equipment & Electrical										
Installations		32.24		32.24					32.24	0
Vehicle		33.28		33.28					33.28	0
This Year		799.27		799.27					799.27	
Previous Year		0	0	0	0	0	0	0	0	0
Capital work in progress									3894.13	
Grand Total									4693.40	0

SCHEDULE 3-CURRENT ASSETS, LOANS & ADVANCES

DESCRIPTION	As at 31.03.2008 Rs. lacs	As at 31.03.2007 Rs. lacs
CURRENT ASSETS		
a. Inventories (as taken, valued and certified by the management) (including in transit) (Note 8)		
Stores, Spare Parts and loose tools	771.84	0.00
TOTAL	<u>771.84</u>	<u>0.00</u>
b. Sundry Debtors		
TOTAL	<u>0.00</u>	<u>0.00</u>
c. Cash and Bank Balances		
Cash, Cheques etc. in hand	1.75	0.00
TOTAL	<u>1.75</u>	<u>0.00</u>
Loans & advances		
Advances recoverable in cash or in kind or for value to be received and / or adjusted		
Amount due from Directors / Subscribers	0.00	1.00
Others	117.96	0.00
TOTAL	<u>117.96</u>	<u>1.00</u>

SCHEDULE 4-CURRENT LIABILITIES & PROVISIONS

a. Current Liabilities		
Creditors for Expenses	0.00	0.15
Royalty Payable	337.53	
Share Application Money * (Other than Cash)	4566.17	
Gratuity Payable	679.94	
Expenses Payable	0.67	0.11
TOTAL	<u>5584.31</u>	<u>0.26</u>

* In pursuant to BIFR order MRL had transferred Assets (Net) for Rs. 1527.00 lacs and Capital Work in progress of Rs. 3028.65 lacs to the Company against which MTCPL issued 1,52,75,200 shares of Rs.10/- each on 17th June 2008 and 30386544 shares of Rs. 10/- each of 28th June 2008.

SCHEDULE 5 - SIGNIFICANT ACCOUNTING POLICIES

- Systems of Accounting**
The Company follows the accrual systems of accounting.
- Accounting Convention**
The accounts have been prepared under the historical convention.
- Revenue Recognition**
As the company has not yet commenced its business no revenue has been recognized.
- Fixed Assets**
All Fixed Assets are stated at cost.
- Inventories**
(a) Stores, Spares Parts and Loose Tools At cost.

SCHEDULE 6 - NOTES ON ACCOUNTS

- Pursuant to Rehabilitation Scheme of Modi Rubber Ltd, sanctioned by BIFR, vide order dated 21st April 2008, the business operations carried out at Modipuram and Partapur plants are transferred to the Company, at WDV as per Income Tax Act, 1961 with certain Liabilities. In consideration of this transfer the company will issue equity Shares in favor of Modi Rubber Ltd. In this manner, 100% issued and paid up share capital of the company will be held by M/s Modi Rubber Ltd, thus the company will be wholly owned subsidiary of Modi Rubber Ltd.
- In the opinion of the Board the current Assets and Loans & Advance are approximately of the value stated, if realized in the ordinary courses of the business.
- There is no contingent liability as on the date of the balance sheet.
- Profit and Loss Account:**
The Profit & Loss Account of the Company has not been prepared as the business has not yet been commenced & all the expenses incurred by the company are in the nature of Capital work in progress.

5. The subscription money of Rs.100000/- (One Lac) towards share capital from Directors/Subscribers have been received and kept as cheques in hand. The same was deposited in company's Bank account on 2nd May 2008.

6. Additional information pursuant to the provision of Part-II of Schedule VI to the Companies Act, 1956.

	Amount (Rs.)
a) Value of Imports as CIF Basis	Nil
b) Expenditure in Foreign Currency	Nil
c) Earnings in Foreign Exchange	Nil
d) Remittances made in foreign Exchange	Nil
e) Licensed and Installed Capacity & Production	N.A
f) Turnover and class of goods	N.A
g) Raw Material Consumed	Nil
h) Receipt in Foreign Exchange	Nil

7. The company adopted Accounting Standard 15 (Revised) issued by The Institute of Chartered Accountants of India.

Contribution for Employees Benefit :

**Defined benefit plans
Gratuity**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme of Gratuity Fund Trust, administered and managed by the Independent Board of Trustees. The sections of the Company first makes the payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on the respective employee's salary and the tenure of employment and then gets the reimbursement from it. Vesting occurs upon completion of five years of service. Liabilities with regards to the Gratuity Plan are determined by actuarial valuation.

**Defined Benefit
Obligation
Gratuity
31 March 2008
Rs. lacs**

A. The amounts (in Rs.) recognised in the balance sheet are as follows:

Present value of funded obligations	836.57
Fair value of plan assets	836.57
Present value of unfunded obligations	(128.51)
Unrecognised past service cost	Nil
Net liability	(128.51)
Amounts in the Balance Sheet	
- Liabilities	708.06
- Assets	836.57
Net Liability	(128.51)

B. The amounts (in Rs.) recognised in the statement of profit and loss are as follows:

Current service cost	29.26
Interest on obligation	57.05
Expected return on plan assets	(71.31)
Net actuarial losses (gains) recognised in the year	28.53
Past service cost	Nil
Losses (gains) on curtailments and settlement	Nil
Total, included in 'employee benefit expense'	43.54

C. Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Opening Defined Benefit Obligation on 1-4-2007	691.52
Service cost for the year	29.26
Interest cost for the year	57.05

65364954 * 0.0825

Actuarial losses (gains)	(27.38)
Losses (gains) on curtailments	Nil
Liabilities extinguished on settlements	Nil
Liabilities assumed in an amalgamation in the nature of purchase	Nil
Exchange differences on foreign plans	Nil
Benefits paid	(42.80)
Closing defined benefit obligation on 31-3-2008	708.06

D. Changes in the fair value of plan assets representing reconciliation of the opening and closing Balances thereof are as follows:

Opening fair value of plan assets	856.66
Expected return	71.31
Actuarial gains and (losses)	(55.91)
Assets distributed on settlements	Nil
Contributions by employer	6.90
Assets acquired in an amalgamation in the nature of purchase	Nil
Exchange differences on foreign plans	Nil
Benefits paid	(42.40)
Closing balance of fund	836.57

E. The major categories of plan assets as a percentage of total plan assets are as follows:

Government of India Securities	-
High quality corporate bonds	-
Equity shares of listed companies	-
Property	-
policy of insurance	100%
Bank Balance	-

F. Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

Discount rate as on 31-3-2008	8.25%
Expected return on plan assets at 31-3-2008	8.50%
Proportion of employees opting for early retirement	-
Annual increase in Salary costs	5.25%

G. GRATUITY BENEFIT

Amount for the current and previous four periods are as follows:

Defined benefit pension plans

Defined Benefit Obligation	708.06
Plan assets	836.57
Surplus / (deficit)	128.51
Experience adjustments on plan liabilities	Nil
Experience adjustments on plan assets	Nil

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

As per our report of even date attached.

For and on behalf of the board.

For Punkaj Oswal & Co.
Chartered Accountants
(Punkaj Jain)

Alok Modi
Director

V.K. Modi
Director

Place : New Delhi
Date : 29.8.2008

AUDITORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF MODI RUBBER LIMITED

1. We have examined the attached consolidated Balance Sheet of Modi Rubber Limited and its subsidiaries as at 31st March, 2008, the consolidated Profit & Loss Account and the consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These Financial statements are the responsibility of the Modi Rubber Limited's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs.2169.36 lacs as at 31st March 2008 and total revenues of Rs. 104.06 lacs for the year ended on that date. These financial statements have been audited by respective auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS-21), Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.

3. We further report that: -

- i) Note No. 4 regarding non-provision of Deferred Tax assets/liability;
- ii) Note No. 7 regarding non confirmation/ reconciliation of various balances of Suppliers, Customers, Advances etc;
- iii) Note No. 11 regarding non ascertainment of value of intangible assets and value of impairment loss on Assets as per AS 26 & 28 respectively;

Subject to the foregoing, based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the group, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of Modi Rubber Limited and its subsidiaries as at 31st March, 2008;
- b) in the case of Consolidated Profit And Loss Account, of the profit for the year ended on that date; and;
- c) in the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

for P D M & Co.
[Formerly: Prabhat Jain & Co.]
CHARTERED ACCOUNTANTS

Place : New Delhi
Date : 29.8.2008

CA. PRABHAT JAIN
Partner
M.No. 86756



BALANCE SHEET (CONSOLIDATED)

AS AT 31ST MARCH, 2008

DESCRIPTION	Schedule	As at 31.03.2008 Rs. lacs	As at 31.03.2007 Rs. lacs
SOURCES OF FUNDS			
1. Shareholders' Funds			
a. Share Capital	1	2504.05	2505.05
b. Reserves & Surplus	2	6733.71	6733.88
		9237.76	9238.93
2. Loan Funds			
a. Secured Loans	3	4518.43	8963.51
b. Unsecured Loans	4	301.57	1284.16
		4820.00	10247.67
	TOTAL	14057.76	19486.60
APPLICATION OF FUNDS			
1. Fixed Assets			
a. Gross Block	5	10443.41	26723.55
b. Less: Depreciation		7493.62	21639.64
c. Net Block		2949.79	5083.91
d. Capital Work-in-progress		3894.13	854.91
		6843.92	5938.82
2. Investments			
Current Assets, Loans & Advances			
a. Inventories	7	1845.86	2045.22
b. Sundry Debtors		65.09	68.99
c. Cash & Bank Balances		1165.12	1277.47
d. Other current assets		0.00	0.00
e. Loans & Advances		2450.32	2788.03
		5526.39	6179.71
Less : Current Liabilities & Provisions			
a. Liabilities	8	7981.81	17437.21
b. Provisions		84.92	91.31
		8066.73	17528.52
Net Current Assets		(2540.34)	(11348.81)
MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)		0.00	0.00
Preliminary Expenses		0.25	0.15
Pre operative Expenses		0.11	0.11
Profit & Loss Account Balance		4660.05	19802.56
TOTAL		14057.76	19486.60
Accounting Policies , Contingent Liabilities and Notes	13		

<p>New Delhi 29th August, 2008</p>	<p>As per our Report Attached For P.D.M. & Co. (formerly Prabhat Jain & Co.) Chartered Accountants CA. Prabhat Jain Partner</p>	<p>Kamal Gupta Head – Finance & Accounts S.K. Bajpai Head – Legal & Company Secretary</p>	<p>Alok Modi S.C. Tripathi Pawan Chopra S.B. Kunwar Directors</p>	<p>S.S. Kohli Chairman V.K. Modi Vice Chairman & Managing Director</p>
--	---	--	---	---

PROFIT & LOSS ACCOUNT (CONSOLIDATED) FOR THE YEAR ENDED 31ST MARCH, 2008

DESCRIPTION		For the Year ended 31.03.2008 Rs.lacs	For the Year ended 31.03.2007 Rs.lacs
INCOME			
Sales & Other Income	9	18754.66	1993.85
		<u>18754.66</u>	<u>1993.85</u>
EXPENDITURE			
Materials Cost	10	0.00	0.00
Expenses	11	2546.52	6246.69
Financing Charges	12	518.81	279.40
Depreciation		533.48	1835.48
		<u>3598.81</u>	<u>8361.57</u>
Profit/(Loss) before Tax		<u>15155.85</u>	<u>-6367.72</u>
PROVISION FOR TAXATION			
Provision for Wealth Tax		(2.89)	(2.50)
Provision Taxation		1.00	62.65
Provision for Fringe Benefit Tax		(9.00)	(8.07)
Net Profit/(Loss) after Tax		<u>15144.96</u>	<u>(6315.64)</u>
Transfer from Debenture Redemption Reserve		0.00	871.00
Balance Loss brought forward from previous year		(19802.42)	(13671.43)
Balance being Loss carried to Balance Sheet		<u>(4657.46)</u>	<u>(19116.07)</u>
APPROPRIATIONS			
Transferred from to General Reserve			
Proposed Dividend			
Dividend Tax			
Balance carried to Balance Sheet		<u>(4657.46)</u>	<u>(19116.07)</u>
Basic and Diluted Earning Per Share (In Rupees)			

New Delhi
29th August, 2008

As per our Report Attached
For P.D.M. & Co.
(formerly Prabhat Jain & Co.)
Chartered Accountants
CA. Prabhat Jain
Partner

Kamal Gupta
Head – Finance & Accounts

S.K. Bajpai
Head – Legal &
Company Secretary

Alok Modi
S.C. Tripathi
Pawan Chopra
S.B. Kunwar
Directors

S.S. Kohli
Chairman

V.K. Modi
Vice Chairman &
Managing Director



SHARE CAPITAL SCHEDULE-1

DESCRIPTION	As at	As at
	31.03.2008	31.03.2007
	Rs. lacs	Rs. lacs
Authorised		
50000000 Equity Shares of Rs.10 each	5000.00	5000.00
200000 11% Cumulative Redeemable Preference Shares of Rs.100 each	200.00	200.00
	<u>5200.00</u>	<u>5200.00</u>
Issued, Subscribed and Paid-up		
25040532 Equity Shares of Rs.10 Each Paid up in Cash	2504.05	2505.05
TOTAL	<u>2504.05</u>	<u>2505.05</u>

RESERVES & SURPLUS SCHEDULE-2

DESCRIPTION	As at	As at
	31.03.2008	31.03.2007
	Rs. lacs	Rs. lacs
Capital Reserve : (On Forfeiture/re-issue of Debentures)	19.26	19.26
Share Premium Account As per last account	5782.32	5782.32
General Reserve As per last account	903.13	903.30
Debenture Redemption Reserve As per last account	29.00	900.00
Less: Transferred to Profit & Loss a/c	<u>0.00</u>	<u>29.00</u>
TOTAL	<u>6733.71</u>	<u>6733.88</u>

SECURED LOANS SCHEDULE-3

DESCRIPTION	As at	As at
	31.03.2008	31.03.2007
	Rs. lacs	Rs. lacs
Non Convertible Debentures 18% Debentures of Rs.100 each Interest accrued & due	29.00 14.09	29.00 10.75
Demand/Cash Credit Loans from Banks J.P.Morgan Chase Bank Interest accrued & due	3990.28 485.06	6351.98 2571.78
TOTAL	<u>4518.43</u>	<u>8963.51</u>

NOTES :

1. Non-Convertible Debentures held by Leaf Investment Pvt. Ltd. are secured by way of first charge on all Fixed Assets, both Present & Future.
2. Loans & Advances from banks are secured by way of hypothecation of inventories and book-debts, second charge all on fixed Assets, both present and future and personal guarantees of Dr.B.K.Modi, the then Managing Director and Shri V.K. Modi, Vice Chairman & Managing Director of the company.

UNSECURED LOANS SCHEDULE-4

DESCRIPTION	As at	As at
	31.03.2008	31.03.2007
	Rs. lacs	Rs. lacs
From Others		
Dealers' Security Deposits	113.20	421.35
Inter Corporate Deposits	188.37	862.81
TOTAL	301.57	1284.16

FIXED ASSETS SCHEDULE - 5

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 01.04.2007	Additions during the year	Adjustments/ Deduction during the year	Total Cost as at 31.03.2008	Upto 31.03.2007	For the year	Adjustments/ Deduction	Upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
Land	410.39	84.26	84.26	410.39	0.00	0.00	0.00	0.00	410.39	410.39
Buildings	5472.65	343.08	2006.09	3809.64	4011.65	88.70	1665.40	2434.95	1374.69	1461.00
Railway Siding & Locomotive	18.55	0.00	18.55	0.00	18.22	0.05	18.27	0.00	0.00	0.33
Plant & Machinery	16579.64	306.41	12988.19	3897.86	13634.72	401.48	11118.29	2917.91	979.95	2944.92
Furniture, Office Equipments & Electrical Installations etc.	3822.94	32.24	1792.19	2062.99	3577.03	38.30	1694.60	1920.73	142.26	245.91
Patent & Trade Marks	0.08	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.08	0.08
Vehicles	419.30	33.28	190.13	262.45	398.02	4.95	182.94	220.03	42.42	21.28
This year	26723.55	799.27	17079.41	10443.41	21639.64	533.48	14679.50	7493.62	2949.79	5083.91
Previous year	26730.99	4.47	11.91	26723.55	19815.03	1835.48	10.87	21639.64		
Capital work-in-progress									3894.13	854.91
									6843.92	5938.82

NOTES :

- Land includes :-
 - Leasehold 127.53
- Building Includes :-
 - On leasehold basis 702.05
 - Office premises/flats on ownership basis in Co-operative Housing Societies, which are being formed 13.50
 - Alongwith cost of land on which depreciation charged on total cost 62.72
 - For which conveyance deed is yet to be executed 106.09
 - Alongwith other assets at Bombay, possession of which (except one floor) is with the company as per court decision, transfer of title of property is pending of court. 175.00



INVESTMENTS SCHEDULE-6

DESCRIPTION	As at 31.03.2008	As at 31.03.2007
LONG TERM INVESTMENTS		
In Equity Shares of Companies- Fully paid up		
A. Trade Investments		
Quoted		
* 1,14,75,000 Modistone Limited of Rs. 10 each	2137.50	0.00
Less: Provision for diminution in value of shares	<u>(2137.50)</u>	0.00
B. Other Investments		
Quoted		
19,79,998 Lords Chloro Alkali Ltd. of Rs. 10 each (Formerly known as Modi Alkalies & Chemicals Ltd.)	198.00	
Less: Provision for diminution in value of shares	<u>(178.20)</u>	19.80
12,50,000 Spark Plug Ltd. of Rs. 10 each	125.00	
Less: Provision for diminution in value of shares	<u>(125.00)</u>	0.00
44,00,000 Bihar Sponge Iron Ltd. of Rs. 10 each	440.00	440.00
2,90,000 Godfrey Philips India Ltd. Of Rs.10/- each	19.88	19.88
880 HDFC Ltd. of Rs.10/- each.	0.06	0.06
43,40,000 Spice Mobile Ltd. (Formerly known as Spice Net Ltd.) of Rs. 3 each	434.00	434.00
39,730 6.75% Tax free Bonds of Rs.100/- each of Unit Trust of India	39.73	39.73
2,500 Units of Prudential ICICI Technology Fund.	0.25	0.25
Total A	<u>953.72</u>	<u>953.72</u>
Unquoted		
32,00,000 Man Diesel India Ltd. of Rs. 10 each (Formerly known as Man B&W India Limited)	320.00	320.00
3,33,50,000 Gujarat Guardian Ltd. of Rs. 10 each	3335.00	3335.00
32,32,000 Xerox India (Formerly known as Modicorp Ltd.) of Rs. 10 each	468.80	468.80
96,000 Modi Carpets Ltd. Of Rs.10/- each.	6.19	6.19
** 29,915 Superior Investment India Ltd. of Rs. 100 each	0.00	0.00
** 29,915 Spin Investment India Ltd. of Rs. 100 each	0.00	0.00
** # 4,56,71,744 Modi Tyres Company (Pvt.) Ltd.	0.00	0.00
9,000 Equity Shares of Licensintorg Co. (I) Pvt.Ltd.of Rs.100/- each fully paid up.	9.00	9.00
11,000 Kesha Processors Ltd. Of Rs.10/- each.	1.05	1.05
10 Inod Euro Industries Ltd. Of Rs.10/-each.	0.01	0.01
Total B	<u>4140.05</u>	<u>4140.05</u>
TOTAL INVESTMENTS (A + B)	<u>5093.77</u>	<u>5093.77</u>

Aggregate Market Value of Quoted Investments

* Subsidiary Company

** Wholly Owned Subsidiary Company

Equity Shares yet to be allotted by Modi Tyre Company (Pvt.) Ltd.

**CURRENT ASSETS, LOANS & ADVANCES
SCHEDULE-7**

DESCRIPTION	As at	
	31.03.2008	31.03.2007
	Rs. lacs	Rs. lacs
CURRENT ASSETS		
a. Inventories (as taken, valued and certified by the management)		
(including in transit) (Note 8)		
Stores,Spare Parts and loose tools	987.01	1186.37
Raw Materials	2286.63	2286.63
Finished Goods	785.55	785.55
Goods-in-process	318.29	318.29
Scrap & Wastage	44.94	44.94
Total	4422.42	4621.78
Less: Provision for diminution in value of Inventory	(2576.56)	(2576.56)
Net Value	1845.86	2045.22
b. Sundry Debtors		
(i) Debts outstanding for a period exceeding six months		
Unsecured, Considered Good	64.85	68.99
Unsecured, Considered Doubtful	604.25	604.25
	669.10	673.24
Less: Provision for doubtful debts	(604.25)	(604.25)
	64.85	68.99
TOTAL	64.85	742.23
c. Cash and Bank Balances		
Cash,Cheques etc.in hand	20.72	0.49
Balance with Scheduled Banks		
In Current Account	120.34	533.43
In Dividend Account	0.00	2.49
In Fixed Deposit/Margin Money Account	1023.11	740.11
In Savings Account (Employees Security)	0.95	0.95
TOTAL	1165.12	1277.47



SCHEDULE-7 (CONTD.)

DESCRIPTION	As at		As at
	Rs. lacs	Rs. lacs	Rs. lacs
b. Loans & advances			
(unsecured, considered good unless otherwise specified)			
Loans :			
Lords Cholero Alkali Limited	142.17	0.00	142.17
Less : Provision for doubtful loans	(127.96)	0.00	(127.96)
		14.21	14.21
Modi Spg. & Wvg. Mills Limited		460.31	460.31
Advances recoverable in cash or in kind or for value to be received and / or adjusted			
Staff	111.64	0.00	99.96
Amount due from Directors/Subscribers	0.00		1.00
Others	594.80	136.96	914.43
Sales Tax paid under protest/recoverable	146.11	0.00	143.01
Deposit with Government Dept. & Others	90.95	0.03	642.68
Balances with Customs, Excise, Port Trust etc.	947.39	0.00	569.44
	1890.89		
Less : Provision for doubtful advances	(163.92)	1726.97	(273.62)
Interest accrued on Investment		0.26	3.52
Prepaid Expenses		0.00	10.03
Income-tax paid		96.26	194.62
Wealth-tax paid		1.76	2.47
Fringe Benefit Tax Paid		13.56	5.97
TOTAL		2450.32	2788.03

CURRENT LIABILITIES & PROVISIONS SCHEDULE-8

DESCRIPTION	As at		As at
	Rs. lacs	Rs. lacs	Rs. lacs
a. Current Liabilities			
Acceptances		1867.03	3908.37
Royalty Payable			
Share Application Money			
Sundry Creditors		3079.85	7560.42
Gratuity Payable			
Unclaimed Dividends		0.00	2.49
Provision for unascertainable future liabilities		587.80	3000.00
Other Liabilities		1429.66	2965.93
TOTAL		6964.34	17437.21
b. Provisions			
Taxation		63.65	68.55
Wealth tax		5.70	9.50
Proposed Dividend		0.00	5.98
Dividend Tax		0.00	1.02
Fringe Benefit Tax		15.57	6.26
TOTAL		84.92	91.31

**SALES AND OTHER INCOME
SCHEDULE - 9**

DESCRIPTION	For the year ended	For the year ended
	31.03.2008	31.03.2007
	Rs. lacs	Rs. lacs
Sales less returns	0.00	0.00
Other Recoveries	0.00	0.00
	0.00	0.00
Less: Replacements, Cash Discounts, Incentives, Octroi, Sales tax absorbed etc.		
	"A"	"A"
	<u>0.00</u>	<u>0.00</u>
Other Income		
Interest received on:		
Deposits, Loans and Advances (Gross)	208.99	113.90
Investments	3.31	533.81
Dividend received	3426.69	1251.68
Excess Liabilities/Provisions/Sundry Balances/ Written back (Net)	14728.48	0.00
Miscellaneous sales/income		
Cenvat Credit (AED) recovered	289.16	0.00
Rent and Other Income	98.03	94.46
	"B"	"B"
	<u>18754.66</u>	<u>1993.85</u>
TOTAL (A+B)	<u>18754.66</u>	<u>1993.85</u>

**MATERIALS COST
SCHEDULE - 10**

DESCRIPTION	For the year ended		For the year ended	
	31.03.2008		31.03.2007	
	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs
Raw Materials Consumed				
Opening Stock	2286.63	0.00	2477.97	
Add: Purchases (Net)	0.10	0.00	0.00	
	<u>2286.73</u>	<u>0.00</u>	<u>0.00</u>	
Less: Stock adjustment against advances	0.00	0.00	191.34	
Less : Diminution in value due to revision in Custom duty	0.00	0.00	2286.63	
Less: Closing Stock (Note 8)	2286.73	0.00	0.00	
	<u>2286.73</u>	<u>0.00</u>	<u>2477.97</u>	
Increase/Decrease in Stocks				
Opening Stock:				
Finished Goods	785.55	0.00	785.55	
Goods-in-process	318.29	0.00	318.29	
Scrap & Wastage	44.94	0.00	44.94	
	<u>1148.78</u>	<u>0.00</u>	<u>1148.78</u>	
Less: Closing Stock				
Finished Goods	785.55	0.00	0.00	
Goods-in-process	318.29	0.00	0.00	
Scrap & wastage	44.94	0.00	0.00	
	<u>1148.78</u>	<u>0.00</u>	<u>0.00</u>	
Stock adjustment against Dealers' security				
Reversal of Excise duty on Finished Goods Stock				
TOTAL		0.00	2477.97	



EXPENSES SCHEDULE- 11

DESCRIPTION	For the year ended	
	31.03.2008	31.03.2007
	Rs.lacs	Rs.lacs
Rent	149.50	19.27
Power & Fuel	0.00	16.43
Stores, Spares & Oils consumed	0.00	0.03
Repairs & Maintenance:		
Plant & Machinery	0.00	
Buildings	11.64	
Others	9.63	
	<u>21.27</u>	<u>9.98</u>
Salaries, Wages, Bonus etc.	98.68	177.56
Contribution to Gratuity, Superannuation,	5.03	8.76
Family Pension and Provident Fund	0.00	0.00
Rates & Taxes	27.02	32.47
Insurance Charges	0.00	6.51
Auditors' Remuneration		
Audit Fee	1.50	
For Certificates etc.	1.15	
For Expenses	0.50	
	<u>3.15</u>	<u>0.00</u>
Travelling & Conveyance	39.89	52.00
Electricity Consumed	14.23	32.69
Legal & Professional Charges	455.26	430.71
Repair Maintenance to Vehicles	3.78	4.17
Telephone & Postage Expenses	13.73	13.85
Excess Liabilities/Provisions/Sundry Balances/ Written Back/Off (Net)	0.00	1944.91
Net Loss on Fixed Assets Sold/Discarded	1600.28	0.00
Provision for diminution in value of Investments	0.00	178.20
Provision for diminution in value of inventory	0.00	2576.56
Provision for Doubtful debts & advances	54.94	635.07
Director's sitting fee	2.31	2.40
Director's Expenses	0.06	0.08
Miscellaneous Expenses	57.11	82.02
TOTAL	<u>2546.24</u>	<u>6223.67</u>

FINANCING CHARGES SCHEDULE- 12

DESCRIPTION	For the year ended	
	31.03.2008	31.03.2007
	Rs.lacs	Rs.lacs
Interest on		
Debentures & Other Fixed Loans	4.75	2.05
Others	513.43	268.72
	<u>518.18</u>	<u>270.77</u>
Bank Charges etc.	0.63	8.63
TOTAL	<u>518.81</u>	<u>279.40</u>

CONSOLIDATED ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES

SCHEDULE – 13

A. BASIS OF PREPARATION

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

B. BASIS OF CONSOLIDATION

1. i) The financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down in Accounting Standard (AS – 21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- ii) The Consolidated Financial Statements have been prepared by adopting uniform accounting policies for like transaction and other events in similar circumstances and are prepared to the extent possible, in the same manner as the parent company's separate financial statements.
- iii) Accounting Policies and Notes on accounts of the Company and its Subsidiaries are set out in their respective financial Statements.
2. The Consolidated Financial Statements comprise the financial statements of Modi Rubber Limited and its subsidiaries as on 31.03.2008 which are as under:

Name of the Subsidiary Company	Financial year of the Subsidiary Company	Extent of Holding Company's Interest	Country of Incorporation
i) Spin Investment (India) Ltd.	31st March 2008	100%	India
ii) Superior Investment (India) Ltd.	31 st March 2008	100%	India
iii) Modi Tyre Company Pvt.Ltd.	31 st March 2008	100%	India
iv) No consolidation of the Accounts of Modistone Limited has been made, in which the parent company holds 55.31% of paid up Capital, because the company is under liquidation process. The Official Liquidator has taken charge of the Company w.e.f. 25.7.2002 the date of appointment of liquidator by Bombay High Court.			

C. ACCOUNTING POLICIES

1. Method of Accounting

Company generally maintains its accounts on accrual basis, except in case of certain items of Income/Expenditure where recovery/payment is uncertain. Accordingly, estimated benefits against exports remaining to be utilised / liability for duty free raw materials excess utilised as at the end of the year has been accounted for in arriving at the consumption of raw materials.
2. Inventory Valuation
 - (a) Stores, Spares Parts and Loose Tools

At weighted average cost.
 - (b) Raw Materials

At weighted average cost
 - (c) Finished Goods

Lower of Cost or net realisable value.
 - (d) Goods-in-process

Lower of Cost or net realisable value.
 - (e) Scrap and Wastage

At estimated selling price.

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

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

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

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



SCHEDULE – 13 (Contd.)

6. Research & Development Revenue expenditure on research and development is charged as expense in the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets.
7. Investments Investments are stated at Cost. In respect of investment of a long-term nature (including in subsidiaries), provision is made for any diminution in the value wherever it is permanent in nature.
8. Foreign Exchange Transactions Foreign currency transactions are accounted at exchange rates prevailing on the date of transaction. Current Assets and Liabilities denominated in foreign currency as at the Balance Sheet date are reconverted at rates prevailing at the year-end and the resultant net gains or losses are adjusted in the Account.
9. Retirement Benefits Retirement benefits are dealt with in the following manner:
- Contributions to Provident Fund are accounted on accrual basis with corresponding contribution to recognised funds for staff on actual duty.
 - Provision for Gratuity liability is made on the basis of actuarial valuation, with corresponding contribution to recognised fund. (No contribution from 1.10.2000).

D. CONTINGENT LIABILITIES

	As at 31.03.2008 Rs. Lacs.	As at 31.03.2007 Rs. Lacs.
1. Guarantees (Unconfirmed)	9.43	9.43
2. Sales Tax Matters	4682.78	5125.86
3. Excise / Customs Matters	1602.97	3401.80
4. Claims against the Company Not acknowledged as Debts	-	1682.06
5. Others		73.70

E. NOTES

- BIFR vide its Order dated 21.04.2008 has sanctioned a Rehabilitation Scheme (Sanctioned Scheme) for revival of the Company, with cut off date as on March 31, 2008, under provisions of SICA. The effect of the scheme as well as disclosure required under AS -4 are as follows:-
In terms of Clause 5.2 of Scheme, Business operations of company are carved out in two identifiable business divisions as under :-
- Business operations carried out at Modinagar Plant will continue to be owned and operated by company.
- Business operations carried out at Modipuram and Partapur plants stand transferred to a new wholly owned 100% subsidiary company namely *Modi Tyres Company Private Limited (MTCPL)*. In consideration of business transfer, MTCPL shall issue equity shares to the Company.
Liabilities of secured and unsecured creditors will be matted / settled out as per Scheme.
In terms of the Sanctioned Scheme, the Relief & Concessions from State Government / Departments interalia are as under
(i) Relief on Payment of Principal, Interest and Penalty where Scheme provides "To Consider" subject to representations in this respect being made to the respective Department / State.
(ii) Relief of Interest and penalty where Scheme provides to grant the relief and concessions.
- Land & Building at Modi Tyre Factory, Modinagar is on perpetual lease taken from Modi Export Processors Ltd. (MEPL). Pursuant to Allahabad High Court Order possession of the Factory is with the Official Liquidator. Company has taken appropriate legal action for getting possession of factory premises back from Official Liquidator to give effect to BIFR Order for implementation.
- LOANS AND ADVANCES
 - Amount to Modi Spinning & Weaving Mills Company Ltd. (MSWL) (Rs. 460.31 lacs Net) includes Rs. 349.61 lacs appropriated by Punjab National Bank in the year 1992-93 towards the outstanding loan and interest payable by MSWL. The company has filed a suit against MSWL in respect of such claims, which is pending before the Delhi High Court.
 - Advances to others include :-
Rs. 358.91 lacs paid on behalf of Modi Fibres Limited (MFL) including direct payment of Rs.296.45 lacs to MIDC for purchase of land.

SCHEDULE – 13 (Contd.)

MFL is yet to issue the shares for above said investment. The Company has filed a petition U/s 397 & 398 of the Companies Act, 1956 before Company Law Board. The Hon'ble Company Law Board has passed an interim order directing MFL not to alienate / transfer the fixed assets till the disposal of company application before Company Law Board.

4. (a) No provision for taxation for the year ended 31st March 2008 is required to be made since there is no taxable income due to unabsorbed depreciation and brought forward losses
- (b) In terms of Accounting Standard (AS-22) on accounting for Taxation of Income issued by the Institute of Chartered Accountants of India, the Company has not recognised the Deferred Tax Assets/Liability due to uncertainty of future profitability.
5. Expenses and claims relating to previous year adjusted in respective accounts not separately shown are Rs. 195.20 lacs (Debit) [previous year Rs12.23 lacs (Debit)].
6. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act, has not been given.
7. The balances of the suppliers, customers & advances etc. are subject to confirmation / reconciliation.
8. Earning per Share :

	2007-08	2006-07
Profit/(Loss) after Tax (Rs. Lacs)	15060.55	(7002.06)
Basic number of equity shares	25040532	25040532
Basic earning per share (Rs.)	60.14	(27.96)
9. The Company's operations comprise only one segment i.e. Automobile Tyres, Tubes & Flaps and therefore there is no other business / geographical segments to be reported as required under Accounting Standard (AS-17) of the The Institute of Chartered Accountants of India.
10. Related Parties Disclosures in accordance with Accounting Standard (AS – 18) of The Institute of Chartered Accountants of India.

A) Subsidiaries:	% Holdings
i) Modistone Limited (in liquidation) Official Liquidator has taken possession of the Company w.e.f. 25.07.2002- the date of appointment of Official Liquidator by Bombay High Court.	55.32
ii) Superior Investment (India) Limited	100.00
iii) Spin Investment (India) Limited	100.00
iv) Modi Tyres Company Pvt Ltd	100.00
Associates :	
i) Man Diesel India Limited (Formerly known as Man B&W Diesel India Limited)	20.00
ii) Gujarat Guardian Limited (GGL)	21.24

B) Key Management Personnel :	
Mr. Vinay Kumar Modi- Managing Director (No remuneration to Key Management Personnel during the year) The following transactions were carried out with related parties in the Ordinary course of business during the year:	
A) Subsidiaries	Rs. Lacs
i) Expenses incurred by Spin Investment (India) Ltd. on behalf of MRL.	548.27
ii) Payable at the year ended 31.03.2008	1752.42
B) i) Expenses incurred by MRL on behalf of Modi Tyres Co Pvt. Ltd	3038.65
ii) Transfer of Assets / Liabilities (Net)	1527.52
iii) Payable at the year ended 31.03.2008	117.95
C) i) Expenses incurred by Superior Investment (India) Limited	-
ii) Payable at the year ended 31.03.2008	247.85
D) Associates :	
i) Expenses incurred by MRL on behalf of GGL	10.52
ii) Receivables at the year ended 31.03.2008	1.58



SCHEDULE – 13 (Contd.)

11. Due to closure of operations, the value of intangible assets and value of impairment loss on assets as per Accounting Standard 26 and 28 respectively, issued by the Institute of Chartered Accountants of India, has not been ascertained.
12. The company adopted Accounting Standard 15 (Revised) issued by The Institute of Chartered Accountants of India.

Contribution for Employees Benefit :

Defined Contribution Plans

- Employees Pension Scheme 1995

Provident Fund :

The Employees of the company receive defined contribution for Provident Fund benefit. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the company make monthly contributions at specified percentage of the employee's salary to the Provident Fund Trust and / or the concerned Provident Fund Authorities. The company has no liability to Fund the shortfall in the interest over the statutory rate declared by the Government.

The Company has recognized the following amounts in the Profit and Loss / Capital Work-in Progress for the year.

	2007-08
	Rs.in lacs
(a) Contribution to Provident Fund	8.46
(b) Contribution to employee Pension Scheme 1995	10.00

Defined benefit plans

Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme of Gratuity Fund Trust, administered and managed by the Independent Board of Trustees. The sections of the Company first makes the payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on the respective employee's salary and the tenure of employment and then gets the reimbursement from it. Vesting occurs upon completion of five years of service. Liabilities with regards to the Gratuity Plan are determined by actuarial valuation.

	Defined Benefit Obligation Gratuity 31 March 2008 Rs. lacs
A. The amounts (in Rs.) recognised in the balance sheet are as follows:	
Present value of funded obligations	863.60
Fair value of plan assets	863.60
Present value of unfunded obligations	(132.66)
Unrecognised past service cost	Nil
<u>Net liability</u>	<u>(132.66)</u>
Amount in the Balance Sheet	
- Liabilities	730.93
- Assets	863.60
- Net Liability	(132.60)
B. The amounts (in Rs.) recognised in the statement of profit and loss are as follows:	
Current service cost	4.43
Interest on obligation	58.83
Expected return on plan assets	(71.39)
Net actuarial losses (gains) recognised in the year	52.42
Past service cost	Nil
Losses (gains) on curtailments and settlement	Nil
<u>Total, included in 'employee benefit expense'</u>	<u>44.30</u>
C. Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:	
Opening Defined Benefit Obligation on 1-4-2007	713.14
Service cost for the year	4.43
Interest cost for the year	58.83

SCHEDULE – 13 (Contd.)

67526671 * 0.0825	
Actuarial losses (gains)	(3.07)
Losses (gains) on curtailments	Nil
Liabilities extinguished on settlements	Nil
Liabilities assumed in an amalgamation in the nature of purchase	Nil
Exchange differences on foreign plans	Nil
Benefits paid	(42.40)
Closing defined benefit obligation on 31-3-2008	730.93
D. Changes in the fair value of plan assets representing reconciliation of the opening and closing Balances thereof are as follows:	
Opening fair value of plan assets	882.97
Expected return	71.39
Actuarial gains and (losses)	55.49
Assets distributed on settlements	Nil
Contributions by employer	7.13
Assets acquired in an amalgamation in the nature of purchase	Nil
Exchange differences on foreign plans	Nil
Benefits paid	(42.40)
Closing balance of fund	863.60
E. The major categories of plan assets as a percentage of total plan assets are as follows:	
Government of India Securities	.86%
High quality corporate bonds	-
Equity shares of listed companies	-
Property	-
policy of insurance	100%
Bank Balance	1.53%
Special Deposit with Bank	0.07%
Fixed Deposits with Banks	18.17%
Outstanding Contribution form Modi Rubber Limited	79.37%
F. Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):	
Discount rate as on 31-3-2008	8.25%
Expected return on plan assets at 31-3-2008	8.25%
Proportion of employees opting for early retirement	-
Annual increase in Salary costs	5.25%
G. GRATUITY BENEFIT	
Amount for the current and previous four periods are as follows:	
Defined benefit pension plans	
Defined Benefit Obligation	730.94
Plan assets	863.59
Surplus / (deficit)	132.66
Experience adjustments on plan liabilities	Nil
Experience adjustments on plan assets	Nil

Gratuity benefit of only these employees who are left with MRL is being considered. In view of excess contribution made in earlier years no provision has been made during the year.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.



SCHEDULE – 13 (Contd.)

13. Application for registration u/s 45 1 a of the RBI Act, 1934 (2 of 1934) was made on 08.08.1997 and communication from RBI is still awaited.
14. Superior Investment (India) Limited jointly with Spin Investment (India) Limited stood as guarantor to State Bank of Hyderabad (SBH) for credit facilities sanctioned to MBM Limited (in liquidation). Due to non payment of dues. SBH brought DRT order dated 25.09.1999 for the recovery of Rs. 106.39 lacs with pendent elite and future interest @19.38% p.a. As against the said order, the Company made one time full and final settlement of its share with SBH and paid Rs. 50.28 lacs which was appearing as advance in the books. Looking at present state of affairs of MBM Limited (in liquidation) its recovery appears doubtful, hence the said advance has been written off to the extend of 75% and balance 25% is appearing in the books of account.
15. Superior Investment (India) Limited is a Demand Limited Company u/s 43A of the Companies Act. 1956. However, section 43A is not applicable after the commencement of companies (amendment) Act, 2000 i.e. 13.12.2000. Consequently, the company has to inform to Registrar of companies that is has become Private Limited Company. Necessary action is being taken to comply with above requirement.
16. Previous year figures have been regrouped / rearranged wherever necessary.
17. Schedules 1 to 13 form an integral part of the Balance Sheet and Profit & Loss Account and have been duly authenticated

	As per our Report Attached For P.D.M. & Co. (formerly: Prabhat Jain & Co.) Chartered Accountants	Kamal Gupta Head – Finance & Accounts	Alok Modi S.C. Tripathi Pawan Chopra S.B. Kunwar Directors	S.S. Kohli Chairman V.K. Modi Vice Chairman & Managing Director
New Delhi 29th August, 2008	CA. Prabhat Jain Partner	S.K. Bajpai Head – Legal & Company Secretary		

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

		2007-2008		2006-2007	
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
A. Cash Flow from operating activities					
Net Profit/(Loss) before tax and extraordinary items		15154.47		-6367.72	
Add: Adjustments for:					
Depreciation	533.48			1835.48	
Provision for diminution in value of Investments	0.00			178.20	
Provision for diminution in value of Inventory	0.00			2576.56	
Lease rent	0.00			2.52	
Interest Paid	518.18			270.77	
Interest Received	(212.30)			(116.58)	
Miscellaneous income	(289.16)			0.00	
Profit/(Loss) on sale of Investments	0.00			(531.13)	
Net(Profit)/Loss on Fixed Assets sold/discarded	1600.64			0.00	
Provision made for doubtful debts and advances	54.94			635.07	
Balances /Provisions not required Written back/off (Net)	(14727.10)			1944.91	
Dividend/Income received from units	(3426.69)	(16948.01)		(1251.68)	5544.12
Operating profit before working capital changes		(793.54)			(823.60)
Adjustments for:					
(Increase)/Decrease in Trade and other receivables	(1183.57)			(353.74)	
Increase/(Decrease) in Trade payable	639.55			136.97	
Cash generated from operations before tax		(544.02)			(216.77)
Add : Taxes (paid)/refund		(1337.56)			(1040.37)
Net cash generated from operating activities		84.90	(1252.66)		(70.70)
B. Cash flow from investing activities:					
Interest received		207.66			159.34
Dividend received		3426.69			1251.68
Sale of Investment		0.00			528.68
Fixed deposit matured		0.00			1617.00
Increase in share Capital		1.00			0.00
Purchase of Fixed Assets		0.00			(4.47)
		3635.35			3552.23
Less: Increase in investments		(2457.18)			0.00
Net cash generated from investing activities			1178.17		3552.23
C. Cash Flow from financing activities:					
Increase/(Decrease) in Borrowings		0.00			(2115.68)
Dividend Paid		(5.98)			(5.98)
Tax on Dividend Paid		(1.02)			(0.84)
Repayment of finance lease liabilities		0.00			(2.52)
Interest paid		(28.37)			(11.57)
Net cash used in financing activities			(35.37)		(2136.59)
Net increase/(decrease) in cash and cash equivalent(A+B+C)			(109.86)		304.57
Cash and cash equivalents as at the beginning of the year			1274.03		969.46
Cash and cash equivalents as at the end of the year			1164.17		1274.03
NOTES: 1. Cash and Cash equivalents includes					
Cash , Cheques in hand and remittance in transit.			20.47		0.49
Balance with Banks.			1143.70		1273.54
			1164.17		1274.03

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

	Kamal Gupta Head – Finance & Accounts	Alok Modi S.C. Tripathi Pawan Chopra S.B. Kunwar Directors	S.S. Kohli Chairman V.K. Modi Vice Chairman & Managing Director
New Delhi 29th August, 2008	S.K. Bajpai Head – Legal & Company Secretary		

AUDITORS' REPORT

To
The Board of Directors
Modi Rubber Limited
New Delhi

We have examined the above Consolidated Cash Flow Statement of M/s. Modi Rubber Limited and its three Wholly-owned Subsidiary Companies for the year ended 31st March 2008. The Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 on "Cash Flow Statement" and Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

New Delhi
29th August, 2008

for PDM & CO.
(formerly: Prabhat Jain & Co.)
Chartered Accountants
CA. PRABHAT JAIN
Partner

MODI RUBBER LIMITED

Regd. Office : Modinagar - 201204
Distt. Ghaziabad (U.P.)

PROXY FORM

Folio No

Client ID No.....

No. of Shares

(To be filled in by the member)

I/We of in the district of being a
Member/ Members of MODI RUBBER LIMITED hereby appoint
of in the district of
or failing him of
in the district of as my/our Proxy to attend and vote for me/us on my/
our behalf at the 36th Annual General Meeting (AGM) of the Company convened on Tuesday, 30th September, 2008
at 10.00 A.M. at Auditorium, Dayawati Modi Public School, Modinagar-201204 (U.P.) and at any adjournment thereof

Signed at this day of 2008

Signature

Affix
Revenue
Stamp

N.B.: The Proxy form should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting

-----TEAR HERE-----

MODI RUBBER LIMITED

Regd. Office : Modinagar - 201204
Distt. Ghaziabad (U.P.)

36TH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

Folio No

Client ID No.....

No. of Shares

(To be filled in by the member)

I hereby record my presence at the 36TH ANNUAL GENERAL MEETING (AGM) of the Company being held at 10.00 A.M. at Auditorium, Dayawati Modi Public School, Modinagar-201204 (U.P.) on Tuesday, 30th September, 2008.

.....
Member's Signature

Notes :

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

.....
Proxy's Signature

BOOK-POST

If undelivered please return to :
MODI RUBBER LIMITED
4/7C DDA Shopping Centre
New Friends Colony
New Delhi-110025