



# THE COMPANY

## BOARD OF DIRECTORS

Vinay Kumar Modi  
Chairman

Alok Kumar Modi  
Managing Director

Kanwaljit Singh Bains  
Independent Director

Amrit Kapur  
Independent Director

Umesh Kumar Khaitan  
Independent Director

Piya Modi  
Whole-Time Director

Sanjeev Kumar Bajpai  
Head-Legal & Company Secretary

Kamal Gupta  
Chief Finance Officer

### REGISTERED OFFICE

Modinagar-201 204  
District Ghaziabad (Uttar Pradesh) CIN:  
L25199UP1971 PLC003392

### HEAD OFFICE

4-7C, DDA Shopping Centre,  
New Friends Colony,  
New Delhi-110 025  
website: [www.modirubberlimited.com](http://www.modirubberlimited.com)  
Phone : +91-11-47109398  
E-mail : [investors@modigroup.net](mailto:investors@modigroup.net)

### WORKS

Modinagar-201 204  
District Ghaziabad (Uttar Pradesh)

### BANKER

Axis Bank Ltd

### STATUTORY AUDITORS

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

### SECRETARIAL AUDITORS SANJAY

GROVER & ASSOCIATES  
B-88, 1st Floor, Defence Colony  
New Delhi - 110 024

### INTERNAL AUDITORS

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

### REGISTRAR & SHARE TRANSFER AGENT

MAS Services Ltd.  
T-34, II Floor, Okhta Industrial Area,  
Phase-II Ind, New Delhi 110020  
Tel (011) 26387281, 82, 83  
Fax (011) 26837286

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**MODI RUBBER LIMITED**  
(CIN: L25199UP1971PLC003392)

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

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

**Website :** [www.modirubberlimited.com](http://www.modirubberlimited.com), **Email :** [investors@modigroup.net](mailto:investors@modigroup.net), **Phone No:** +91-11-47109398

**NOTICE**

Notice is hereby given that the 48<sup>th</sup> Annual General Meeting of the members of **Modi Rubber Limited ("the Company")** will be held on Monday September 27<sup>th</sup>, 2021 at 11:30 AM, through Video Conference / Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at Modinagar-201204 (U.P)

By order of the Board  
for Modi Rubber Limited

Place: New Delhi  
Date: 13/08/2021

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

**ORDINARY BUSINESSES:**

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors ('the Board') and auditor's thereon.
2. To appoint a Director in place of Mr. Vinay Kumar Modi (DIN: 00274605) who has consented to retire by rotation in compliance with requirements of Section 152 of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESSES:**

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

To Re-appoint Mr. Alok Kumar Modi (DIN 00174374) as Managing Director for a term of five years and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

**"RESOLVED that** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and pursuant to Article 109 and any other applicable Article of the Articles of Association of the Company and subject to approval of Central Government, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Alok Kumar Modi (DIN: 00174374), as Managing Director of the Company for a further period of five years commencing from 01.10.2021 without remuneration as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.

**RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to convey acceptance for terms as may be imposed by the Government for appointment of Mr. Alok Kumar Modi, Managing Director and also alter or vary terms of remuneration including monetary value thereof, to the extent as may be recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to within overall limits specified under the Companies Act, 2013.

**RESOLVED FURTHER** that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

**NOTES:**

1. In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and Circular no. 02/2021 dated January 13, 2021 (collectively "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and circular no. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 (collectively "SEBI Circulars"), have permitted companies to conduct AGM through VC or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 48<sup>th</sup> AGM of the Company is being convened and conducted through VC. Following is the Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, The Notice has also been hosted on the website of the Company [www.modirubberlimited.com](http://www.modirubberlimited.com).
2. In compliance with the said Circulars, the Company has also published a public notice by way of an advertisement made dated 4<sup>th</sup> September 2021, in Pioneer English (Delhi NCR) and Pioneer Hindi and both having a wide circulation along with their electronic editions, inter alia, advising the members whose e-mail ids are not registered with the Company, its Registrar and Share Transfer Agent (RTA) or Depository Participant(s) (DPs), as the case may be, to register their e-mail ids with them.
3. The Company has enabled the Members to participate at the 48<sup>th</sup> AGM through VC facility. The instructions for participation by Members are given in the subsequent pages. Participation at the AGM through VC shall be allowed on a first-come-first-served basis.
4. As per the provisions under the MCA Circulars, Members attending the 48<sup>th</sup> AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013
5. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process and instructions for remote e-voting are provided in the subsequent pages. Such remote e-voting facility is in addition to voting that will take place at the 48<sup>th</sup> AGM being held through VC.
6. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM.

The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.

7. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 48th AGM is being held through VC as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 48th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
8. The members who have not yet registered their e- mail ids with the Company may contact Mas Services Limited (**Registrars & Share Transfer Agents**) at T-34,2nd Floor, Okhla Industrial Area, Phase - II,, New Delhi - 110 020, Ph:- 26387281/82/83 Fax:- 26387384 email:- [info@masserv.com](mailto:info@masserv.com) for registering their e- mail ids on or before 22/09/2020 The Company shall send the Notice to such members whose e-mail ids get registered within the aforesaid time enabling them to participate in the meeting and cast their votes
9. The Register of Members and Share Transfer Books of the Company shall remain closed from 21.09.2021 to 27.09.2021 (both days inclusive).
10. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
11. In terms of the aforesaid Circulars, the businesses set out in the Notice will be transacted by the members only through remote e-voting or through the e-voting system provided during the meeting while participating through VC facility.
12. In accordance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto and applicable provisions of the SEBI Listing Regulations, the Company has engaged the services of [CDSL/NSDL] to provide the facility of voting through electronic means to the members to enable them to cast their votes electronically in respect of all the businesses to be transacted at the aforesaid Meeting.
13. Voting rights of the members (for voting through remote e-voting or e-voting system provide in the Meeting itself shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e.20/09/2021. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting or e- voting system provided in the Meeting.
14. In accordance with the aforementioned MCA Circulars, the Company has appointed Mas Services Ltd. for providing the VC facility to the members for participating in the Meeting. The members are requested to follow the following instructions in order to participate in the Meeting through VC mechanism: a. The login-id and password for joining the meeting has been separately provided along with this Notice; b. The facility for joining the Meeting shall be kept open 30 minutes before the time scheduled to start the meeting i.e. [11:30AM] and 15 minutes after the expiry of the said scheduled time i.e. till [o]; c. Members who hold shares in dematerialized form are requested to furnish their Client ID and DP ID Nos. and members who hold shares in physical form are requested to furnish their folio number for easy identification of attendance at the Meeting; d. Participation of single member shall only be allowed at a time; e. Queries on the accounts and operations of the Company or the businesses covered under the Notice may be sent to [o]at least seven days in advance of the meeting so that the answers may be made readily available at the meeting; f. Members are requested to e-mail at [info@masserv.com](mailto:info@masserv.com) or call at 26387281/82/83 in case of any technical assistance required at the time of log in/ assessing/ voting at the Meeting through VC; g. [other relevant information to be provided]
15. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote.
16. In view of the MCA Circulars, no proxy shall be appointed by the members. However, corporate members are required to send to the Company/ RTA/ Scrutinizer, a certified copy of the Board Resolution, pursuant to section 113 of the Companies Act 2013, authorizing their representative to attend and vote at the Meeting through VC.
17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available only in electronic form for inspection during the Meeting through VC.
18. All other relevant documents referred to in the accompanying notice/explanatory statement shall be made open for inspection by the members only in electronic form at the Meeting on all days, except Saturdays and Sundays from 11:00 a.m. to 1:00 p.m. up to the date of the Meeting.
19. The Notice for this Meeting along with requisite documents and the Annual Report for the financial year ended 2020-21 shall also be available on the Company's website [www.modirubberlimited.com](http://www.modirubberlimited.com)
20. The results of remote e-voting and e- voting system provided in the Meeting shall be aggregated and declared within 48 hours the Meeting.
21. The results declared along with the report of the scrutinizer shall be placed on the Company's website [[www.modirubberlimited.com](http://www.modirubberlimited.com)] and on the website of NSDL immediately after the result is declared by the Chairman and simultaneously communicated to the Stock Exchanges. Due to the current lockdown situation in the wake of COVID 19 pandemic, the result shall not be displayed on the Notice Board of the Company at its Registered Office.
22. Members desirous of obtaining any information concerning the Accounts of the Company are requested to send their request at the 4/7C DDA Shopping Centre New Friends Colony, New Delhi- 110025 Head Office of the Company atleast seven days before the date of the Meeting, so that the information required may be made available at the Meeting.
23. Corporate members are requested to send a duly certified copy of the Board resolution/authority letter, authorizing their representative(s) to attend and vote on their behalf at the meeting.
24. Members holding shares in dematerialized mode are requested to intimate all changes with respect to the change of address, e-mail address, change in name etc, to the depository participant. These changes will be automatically reflected in the Company's records which will help in the Company to provide efficient and better service to the members.
25. Members holding shares in the physical form are requested to intimate changes with respect to the change of address, e-mail address, change in name etc, immediately to the Company/RTA.
26. Voting through electronic means:  
In compliance with section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management Administration) Rules, 2014, and regulation 44 of SEBI (LODR) the Company is pleased to provide to members facility to exercise their right to vote at the 48th Annual General Meeting by electronic means and the business may be transacted through e-voting services.

The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- I. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "Modi Rubber Limited".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [rashmikirt@gmail.com](mailto:rashmikirt@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### General Instructions:

- The remote e-voting period commences on 24<sup>th</sup> September, 2021 (9:00 am) and ends on 26<sup>th</sup> September, 2021 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> September, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- The voting rights of shareholders shall be in proportion to their shares of the paid-up capital of the Company as on the cut-off date (record date) of 20/09/2021.
- If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.

- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - Any person, who acquires shares of the Company and become member of the Company after send of the email and holding shares as of the cut-off date i.e. 20/09/2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [info@masservices.com](mailto:info@masservices.com).
  - However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
  - A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting system.
  - The Company has appointed M/s Rashmi Saxena and Associates, Practicing Company Secretaries (C.P. No. 6938) as the scrutinizer for conducting the e-voting process in a fair and transparent manner.
  - The scrutinizer shall, within a period not exceeding 48 hours from the conclusion of the e-voting period unblock the votes in presence of at least 2 (two) witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour, against, if any, forthwith to the chairman of the Company.
  - The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared alongwith the scrutinizer's report shall be placed on the Company's Website [www.modirubberlimited.com](http://www.modirubberlimited.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company.
27. The Notice of annual general meeting and the copies of audited financial statements, directors report, auditors report etc, will also be displayed on the website [www.modirubberlimited.com](http://www.modirubberlimited.com) of the Company.
  28. The Securities and exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participant with whom they are maintain their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Company/RTA.
  29. As required by regulation 36 of SEBI (LODR) 2015 and as required under Secretarial Standard-2, in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of the notice. The Directors have furnished the requisite declarations for their re-appointment and their brief profile forms part of the explanatory statement.
  30. Kindly register your e-mail addresses and contact details with us, by writing to the Secretarial Department at The Corporate Office, or at our e-mail ID: [investors@modigroup.com](mailto:investors@modigroup.com). This will help us in prompt sending you notice, annual reports and other shareholder communications in electronic form.

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

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

### Item Nos.3

The present term of Mr. Alok Kumar Modi as Managing Director of the Company will expire on September 30th, 2021. The Board of Directors at its meeting held on August 13, 2021, have re-appointed Mr. Alok Kumar Modi as Managing Director of the Company without remuneration as recommended by the Nomination and Remuneration Committee for a further period of Five years, commencing from October 1st, 2021 and upto September 30, 2026 subject to necessary requisite approvals, as may be required for his re-appointment. However the Board had further authorized Nomination and Remuneration Committee to consider payment of the remuneration during above tenure as it may be deemed appropriate in the interest of the company.

Mr. Alok Kumar Modi is also the Managing Director of Gujarat guardian Limited and drawing remuneration from Gujarat Guardian Limited. Mr. Alok Kumar Modi opted not to draw remuneration from the company so long as company continues to implement the unimplemented portion of the BIFR scheme.

However Mr. Alok Kumar Modi shall be entitled for reimbursement of all expenses incurred or to be incurred in India or abroad for Company's business during his tenure as Managing Director.

Mr. Alok Modi has informed that he has denounced Indian citizenship and acquired citizenship of another country. Board in its meeting held on August 13<sup>th</sup>, 2021 have taken a note on change of his status in citizenship. Re-appointment will require approval from the Central Government as Mr Modi is not meeting conditions of 12 months for staying in India prior to his re-appointment.

Except Mr. Alok Kumar Modi, Mr. Vinay Kumar Modi and Ms. Piya Modi and/or his relatives, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

Additional information in respect of Mr. Alok Kumar Modi, pursuant to the Secretarial Standards on General Meetings (SS-2), His Brief Profile and Information required under SEBI (LODR), 2015 in respect of resolution No. 3 is given below:-

Particulars	
Date of Birth	18 <sup>th</sup> June 1966
Age(In years)	55
Qualification	MBA
Expertise in specific functional areas	35 Years
Date of appointment on the Board of the Company as Managing Director	31 <sup>st</sup> October 2011
Expertise in specific functional area	Technology, Sales, Finance, Operations and marketing, and wide management experience
Relationship with Directors and Key Managerial Personnel	Relative(Son) of Mr. Vinay Kumar Modi and Father of Ms. Piya Modi
Names of the Companies in which Directorships held	1.Gujarat Guardian Limited 2.Modi Rubber Limited 3.Maple Bear Education Private Limited

	4.Asahi Modi Materials Private Limited
Names of other Companies in which Committee Membership/ Chairman-ship held	NONE
No. of shares held	NIL

### INSPECTION OF DOCUMENTS

All material documents referred to in the Notice will be kept open for inspection by the members, at the Registered Office of the Company, from 11AM to 1 PM on all working days from 20<sup>th</sup> September 2021 upto the date of the AGM.

By order of the Board  
for Modi Rubber Limited

Place: New Delhi  
Date: 13, August 2021

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



## DIRECTORS' REPORT

Your Directors have pleasure in sharing with you the 48th Annual Report on the business and operations of the Company, alongwith the audited financial statements for the financial year ended March 31, 2021.

### IMPLEMENTATION STATUS OF BIFR SCHEME

The Central Government vide its Notification No.S.O.3568 (E) Dated 25 November 2016 put into force the provisions of the Sick Industrial Company (Special Provisions) Repeal Act 2003 repealing SICA 1985. However, the Repeal Act shall not affect any Scheme sanctioned by the BIFR. In compliance of direction issued by BIFR your company continues to implement the unimplemented provisions of SS-08 sanctioned by the BIFR on 8.4.2008.

The industrial rehabilitation for Modinagar Tyre Factory (MTF) could not be achieved as yet as possession continues to be with the OL appointed by the Allahabad High Court in Modi Export Processors Limited's (MEPL) winding up proceedings. Litigation with one creditor is also pending who have till date not accepted the dues as per scheme sanctioned by the BIFR.

Your Company has been following up with Govt agencies/authorities/department/Creditors to provide relief and concessions and to accept settlement as per scheme sanctioned by the BIFR.

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

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

### FINANCIAL RESULTS

During the year under review, your company has recorded a net Profit (Standalone) after tax Rs.770.86 Lacs as compared to net profit of Rs.564.55 Lacs in previous year and a total comprehensive income of Rs.1909.75 as compared to income of 328.92 Lacs in the previous year. Income of your company is mainly from guest house operations, Interest & dividend.

### DIVIDEND

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

### FIXED DEPOSITS

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

### MANAGEMENT DISCUSSION & ANALYSIS & CORPORATE GOVERNANCE REPORTS

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

### BOARD OF DIRECTORS

#### A) Appointment/Re-appointment of Directors

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

#### B) Meeting of the Board of Directors

During the financial year ended on March 31, 2021, 4 (Four) Board Meetings and 1 (one) meeting of Independent Directors were held and the maximum time gap between any two Board meetings was less than 120 days. Further, details of the meetings of the Board and its Committees are given in Corporate Governance Report, forming part of the Annual Report.

#### C) Declaration by Independent Director(s)

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of

the Companies Act, 2013 and under applicable regulations of SEBI (LODR) 2015 with the Stock Exchanges.

### D) Board Evaluation

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

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

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

<http://modirubberlimited.com/financial-result-policies.php>

### SUBSIDIARIES/JOINT VENTURES/ ASSOCIATE COMPANIES

The performance and financial information of the subsidiary companies / Joint Ventures / Associate Companies is reported in the Consolidated Financial Statement for the financial year ended March 31, 2021.

### CONSOLIDATED FINANCIAL STATEMENT

In accordance with the provisions of the Companies Act, 2013 read with Regulation 33 of SEBI (LODR) 2015 and Applicable Ind-AS 110 on Consolidated Financial Statement, Ind-AS 28 on Accounting for Investments in Associates and Joint Ventures, the audited consolidated financial statement for the year ended March 31, 2021 is provided in the Annual Report.

### AUDIT COMMITTEE

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

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

### DIRECTORS'RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable Ind-AS with the requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts of the Company for the financial year ended March 31, 2021 on a 'going concern' basis;
- v) the Directors have laid down internal financial control to be followed by the Company and that such internal financial control are adequate and were operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### RISK ASSESSMENT/ MANAGEMENT

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

## INTERNAL FINANCIAL CONTROLS

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

## COST RECORD

The provision of Cost audit as per section 148 is not applicable on the Company.

## CONSTITUTION OF COMMITTEE – SEXUAL HARASSMENT AT WORKPLACE

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

**Composition:-**The composition of the Corporate Social Responsibility Committee as on March 31, 2021 is as follows:

Name of the Member	Status	Category
Mr. Vinay Kumar Modi	Chairman	Non-Executive director
Mr. Alok Kumar Modi	Member	Executive Director
Mr. Kanwaljit Singh Bains	Member	Independent Director

b) CSR Policy of the company can be accessible at <http://modirubberlimited.com/financial-result-policies.php>

c) During the year under review there was dividend income and as per applicable provisions and rules dividend income shall not consider while calculating the Net Profit, there was no profit from the operations hence no CSR activities was undertaken therefore The applicable disclosures as stipulated under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not provided in this Report.

## VIGIL MECHANISM

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

## RELATED PARTY TRANSACTIONS

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

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

Suitable disclosure as required by the Accounting Standards has been made in the Notes to the Financial Statement. The policy on Related Party Transaction and determining material Subsidiaries as approved by the Board is uploaded on the company's website <http://modirubberlimited.com/pdf/Financials-Policies-Policy%20for%20determining%20Material%20Subsidiaries.pdf>

## PARTICULARS OF LOAN, GUARANTEES, SECURITY OR INVESTMENTS

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

## AUDITOR & AUDITOR'S REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. Suresh Surana & Associates LLP, Chartered Accountants, with registration number 121750W/W-100010), were appointed

as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 44<sup>th</sup> Annual General Meeting held on 28th September, 2017 until the conclusion of 49<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2022.

M/s. Suresh Surana & Associates LLP, Chartered Accountants, with registration number 121750W/W-100010), have submitted their Report on the Financial Statements of the Company for the FY 2020-21, which forms part of the Annual Report 2020-21 There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Reports on standalone financial statement however on consolidated financial statements, auditors qualified for non-provision of impairment/diminution in the carrying value of investment by one of the wholly owned subsidiary of your company, whereas the management is of the opinion that diminution does not represent inherent loss in the value for investment, being temporary in nature, Due to current Covid restriction imposed by various governments where long term investment prospects and prospects of travel industries remain intact.

## MANAGERIAL REMUNERATION

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

## (Annexure-II)

## SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the financial year ended March 31, 2021, in the prescribed format is attached and marked as **Annexure III** with this report. The secretarial audit report contains certain remarks, explanations which are given as under:-

- One of the Promoter's shareholding couldn't be demated as certain shares in physical form are still under lien.
- Delay for submission with Stock Exchanges for RPT was caused due to inadvertent overlook of the Circulars issued by SEBI.
- Omission of details of other committee meetings in CGR was caused inadvertently while incorporating data.
- Company submitted the Cash Flow Statement in XBRL Mode to stock exchanges; subsequently it was shared on email, on query made, in PDF also.

Board directed the concerned Officers to be more vigilant in future.

## EXTRACT OF ANNUAL RETURN

In terms of Sections 92(3) and 134(3)(a) of the Act, annual return is available under the 'Investors' section of the Company's website, <https://modirubberlimited.com/pdf/Annual-Return.pdf>

## COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is fully compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

## STATUTORY DISCLOSURES

Since there was no production, there is no information required to be given for energy conservation, technology absorption, fuel consumption etc. u/s 134(3) (m) of the Companies Act, 2013. Information about foreign exchange earnings is nil and outgo is Rs.25.30 Lacs during the year as disclosed in note No.39 of Standalone Financial Statement.

## ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Alok Modi  
(DIN: 00174374)  
Managing Director  
Place: Dubai/New Delhi

Piya Modi  
(DIN: 03623417)  
Wholetime Director  
Date: August 13, 2021

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2020-21 (in Rs.)	% increase in Remuneration in the Financial Year 2020-21
1.	Mr. Vinay Kumar Modi (Non-Executive Chairman)	No remuneration**	N.A
2.	Mr. Alok Kumar Modi (Managing Director)	No remuneration	N.A
	Ms. Piya Modi (WHD)	Rs.39.99 Lacs	NIL
3.	Mr. Kanwaljit Singh Bains (Non-Executive Independent Director)	Sitting Fees only*	N.A
4.	Mr. Amrit Kapur (Non-Executive Independent Director)	Sitting Fees only*	N.A
5.	Mr. Umesh Khaitan (Non-Executive Independent Director)***	Sitting Fees only*	N.A
6.	Mr. Sanjeev Kumar Bajpai (Head – Legal & Company Secretary)	Rs.39.46 Lacs	N.A
7.	Mr. Kamal Gupta (CFO Officer)	Rs.59.67 Lacs	N.A.

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

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

- ii. The median remuneration of employees of the Company during the financial year was Rs.6,08,018;
- iii. In the financial year 2019-20, the median remuneration of employees decreased by 14.57%.
- iv. There were 19 permanent employees (Including KMPs) on the rolls of Company as on March 31, 2021;
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 and comparison with the percentage increase/(decrease) in managerial remuneration:
- vi. 1:1.67 is the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year
- vii. It is hereby affirmed that the remuneration paid is as per Policy for Directors, Key Managerial Personnel, Senior Management and other Employees.

**Annexure III**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021

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

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

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

**We report that: –**

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



- g) We adhered to best professional standards and practices as could be possible while carrying out audit during the restricted conditions due to Covid-19 pandemic. The Company made due efforts to make available the relevant records and documents which were verified through physical as well as online means to conduct and complete the audit in the aforesaid Covid-19 pandemic conditions.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of: —

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **[Not applicable to the Company during the audit period]**
  - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014; **[Not applicable to the Company during the audit period]**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable to the Company during the audit period]**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable to the Company during the audit period]**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **[Not applicable to the Company during the audit period]** and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India as well as listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited which, along with above, need to be further strengthened by the Company. Further, the Company was generally regular in filing of Forms>Returns/intimations with the Registrar of Companies and Stock Exchanges.

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

- *There is violation of Regulation 31(2) of Listing Regulations with respect to entire shareholding of promoters to be in dematerialized form. The same was reported in our previous report which has continued during the financial year under report.*
  - *The Company was required to submit disclosures of related party transactions on a consolidated basis within 30 days from the date of publication of its standalone and consolidated financial results for the half year. However, the disclosure was given to stock exchanges on January 20, 2021 with a delay of 39 days.*
  - *In the Quarterly Corporate Governance Compliance Report for the quarter ended on June 30, 2020, submitted with stock exchanges is incomplete to the extent that the details about the meetings of Nomination and Remuneration Committee and of Stakeholders Relationship Committee held during the said quarter have not been mentioned in the Report.*
  - *As per the requirement of Regulation 33(3)(g), the Statement of Cash Flows is missing in the financial results submitted on June 30, 2020, July 30, 2020 and rectified results on 11<sup>th</sup> August, 2020 on the basis of communication received from BSE.*
- (vi) As informed by the Management, the Company was earlier engaged in manufacture of automotive tyres, tubes, flaps and other allied products in its plants set-up in 1974 at Modipuram, Meerut and Modinagar. Pursuant to the BIFR Scheme, Modinagar plant continued to be with the Company for carrying out its industrial activities. However, Modinagar Plant of the Company is under the Seal of Official Liquidator (OL) attached to the Allahabad High Court appointed by Allahabad High Court pursuant to CP No.7 of 2005 in "Punjab National Bank Vs Modi Export Processors Ltd," as the Company had taken Industrial Shed and land on perpetual lease from Modi Export Processors Ltd, on which Company had installed its Plant & Machinery for Modinagar Plant. The Company has filed Special Appeal No.1917 of 2008 with Allahabad High Court for re-possession from the OL which is pending for final adjudication before the Hon'ble High Court. Further, the Company continues to implement the unimplemented provisions of BIFR Scheme. Presently, the Company generates its income/revenue from rentals on real estate and Guest House at Modipuram, income from Fund Management/Investments and also dividend from Joint Venture Companies in which Company has Management & Equity Collaborations. As informed by the Management, there is no sector specific law applicable on the Company.

**We further report that: —**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the year under review.

Adequate notice was given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

Board decisions were carried out with unanimous consent as recorded in the minutes of the meetings thereof.

**We report further that** in our opinion based on verification done on test basis and to the best of our information and according to explanations given to us, there are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

New Delhi  
 August 13, 2021

**Mohinder Paul Kharbanda**  
**Partner**  
 FCS No. 2365C.P. No. 22192  
 UDIN: F002365C000779493

### **Management Discussion and Analysis Report**

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

Technical Analysis for Plant & Machinery of MTF Plant will be done when your Company gets possession of the same to ascertain damage caused to the machineries due to fire, rain & thefts.

Your Company has taken new initiatives to improve its long term prospects and performance and in order to make best use of its real estate resources your company has put Guest House Facility at Modipuram for commercial use after obtaining requisite approvals from the concerned Authorities. Your company is also taking several steps to utilize its real estate resources. Your Company has been taking actions to get re-possession of Company's properties which were occupied by illegal occupants/Ex- Employees. Efforts include legal recourse, and also settlement wherever possible pursuant to scheme sanctioned by BIFR.

Your Company has been keeping adequate internal control system and has been deploying surplus fund in safe instruments to get return on investment.

Your Company has employed 19 employees to run its present operations. None of the senior Management of the Company has any personal interest in any of the commercial transactions that may have a conflict with operations of the Company.

### **CORPORATE GOVERNANCE REPORT**

#### **(PURSUANT TO REGULATION 34 (3) & SCHEDULE V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)**

#### **REPORT ON CORPORATE GOVERNANCE**

Modi Rubber Limited's corporate governance system has the highest standards of ethical and responsible conduct of business to create value for all stakeholders. It continues to focus on good corporate governance, in line with emerging national standards. It understands and respects its fiduciary role in the corporate world. Besides following prescribed corporate governance norms as per the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015(SEBI (LODR) Regulations 2015) and Companies Act, 2013, the company voluntarily governs itself as per best standards of ethical and responsible conduct of business in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, consumers, lenders and the community at large.

This report, along with the report on Management Discussion and Analysis and additional shareholders information provides the information on the corporate governance compliance by your company as contained in SEBI (LODR) Regulations 2015 and Companies Act, 2013.

#### **PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The Company's philosophy on Corporate Governance is to enhance the long term economic value of the Company, its stakeholders and the society at large by adopting appropriate corporate practices in fair and transparent manner by aligning company's interest with that of its shareholders and other stakeholders. Your Company endeavors to follow procedures and practices in conformity with the Code of Corporate Governance outlined in the SEBI (LODR) Regulations 2015 and Companies Act, 2013.

#### **BOARD OF DIRECTORS**

The Board of Directors ("Board") is the highest governing authority and plays a crucial role in ensuring good governance practices in the organization by its progressive thinking, approach and professional experience. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and high standards of disclosure, thus protecting interest of all stakeholders.

#### **Composition of the Board**

The Composition of Board of Directors of the Company is in conformity with the requirement of Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has an optimum combination of Executive, Non-Executive and Independent Directors. The Board represents an optimal mix of professionalism, knowledge and experience. The Chairman of the Board of the Company is a Non-Executive Director.

The details relating to Composition & Category of Directors, Directorships held by them in other companies and their membership and chairmanship on various Committees of Board of other companies, as on March 31, 2021 is as follows:

Sl.No.	Name of the Director	Category	Designation	No. of Memberships/ Chairmanships in various other Board Committees	
				Member	Chairman
1.	Mr. Vinay Kumar Modi	Non-Executive (Promoter)	Chairman	2	2
2.	Mr. Alok Kumar Modi	Executive (Promoter)	Managing Director	1	-
3.	Ms Piya Modi	Executive (Promoter)	Whole-time Director	0	-
4.	Mr. Kanwaljit Singh Bains	Independent Non-Executive	Director	1	2
5.	Mr. Amrit Kapur	Independent Non-Executive	Director	3	-
6.	Mr. Umesh Kumar Khaitan	Independent Non-Executive	Director	2	-

#### Shareholding of Non-Executive Directors

**\*None of the Directors or KMP holds any Shares of the Company during the year 2020-21 under review**

#### (A) Board Meetings

Date(s) of Board Meetings are fixed in advance and agenda papers are circulated to Directors generally one week before the meeting. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting.

Details of attendance of Directors at Board Meetings and at the Annual General Meeting held during the financial year 2020-21 are as under:

Name of Director(s)	No. of Board Meetings during the year 2020-21		Attended last Annual General Meeting
	Held	Attended	
Shri Vinay Kumar Modi*	4	4	Yes
Shri Alok Kumar Modi	4	4	Yes
Ms. Piya Modi	4	4	Yes
Shri Kanwaljit Singh Bains	4	4	Yes
Shri Umesh Kumar Khaitan	4	4	Yes
Shri Amrit Kapur	4	4	Yes

#### (B) Other provisions as to Board and Its Committees:-

The Board/ Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedules and to ensure meaningful participation in the meetings. Where it is not practicable to circulate any document or the agenda is of confidential nature, the same is tabled with the approval of Chairman.

During the financial year ended March 31, 2021, Four Board Meetings were held as per the minimum requirement of four meetings prescribed in the Regulation 17(2) of the SEBI (LODR) Regulations 2015. The intervening period between the Board Meetings were within the maximum time gap prescribed under Companies Act, 2013 and Regulation 17(2) of the SEBI (LODR) Regulations 2015.

The details of the Board meetings held during the financial year 2020-21 are as under:

Sl. No.	Date of Board meetings	Board Strength	No. of Directors Present
1	June 30, 2020	6	6
2	August 31, 2020	6	6
3	November 12, 2020	6	6
4	February 12, 2021	6	6

#### (C) Code of Conduct

The Board of Directors has implemented a Code of Conduct applicable to all Directors and Senior Level Management of the Company. Annual Affirmation has been received from all the Directors and Senior Level Management that they have complied with the code of conduct. The copy of the Code has been put on the Company's website [www.modirubberlimited.com](http://www.modirubberlimited.com)

#### (D) Familiarization Programme

Details on familiarization programme for independent directors are uploaded on company's website at following weblink:

[http://www.modirubberlimited.com/financial-result\\_details.php?mid=3&sid=19](http://www.modirubberlimited.com/financial-result_details.php?mid=3&sid=19)

#### I) COMMITTEES OF BOARD

In compliance with the SEBI Regulations, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of diverse matters. The Committees operate as per their charter / terms of reference approved by the Board.

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of the meetings of all the Committees are placed before the Board for review.

For smooth conduct of affairs of the Company, the Board has constituted several committees. The scope, brief terms of reference and composition of such committees are as under:

#### 1. AUDIT COMMITTEE

The Audit Committee assists in monitoring and providing effective supervision to the Management on financial reporting process with a view to ensuring accurate and timely disclosures with transparency and quality of financial Statements. The Committee oversees the accounting and financial reporting process of the Company, Internal Auditors and the statutory auditors employed in audits of Company's financial statements.

**a) Composition and terms of reference of Audit Committee**

The constitution of Audit Committee meets with the requirements as laid down under Section 177 of the Companies Act, 2013 and also of Regulation 18 of the SEBI (LODR) Regulations 2015. The present members of the Audit Committee are Shri Kanwaljit Singh Bains as Chairman, Shri Vinay Kumar Modi, Shri Amrit Kapur and Shri Umesh Kumar Khaitan as Members. Committee has requisite financial and related management expertise.

The brief terms of reference of the Audit Committee are as follows:

- Oversight of the company's financial reporting process and the disclosure of its financial Information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower/ Vigil mechanism(Policy is uploaded on company's website at following weblink: [http://www.modirubberlimited.com/financial-result\\_details.php?mid=3&sid=19](http://www.modirubberlimited.com/financial-result_details.php?mid=3&sid=19));
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

**b) Meetings, Attendance and Composition of the Audit Committee**

During the year, the Committee met four times and the maximum time gap between any two meetings was less than four months. The Minutes of the Audit Committee meetings were placed before the Board.

The Committee Meetings were held on June 20<sup>th</sup> 2020, August 31, 2020, November 12, 2020 and February 12, 2021. The composition and the attendance of members at the meetings held during the FY 2019-20, are given below:

Director	Category	No. of meetings held	No. of meetings attended
Mr. Kanwaljit Singh Bains, Chairman	Non-Executive Independent Director	4	4
Shri Vinay Kumar Modi, Member	Non-Executive	4	4
Shri Umesh Kumar Khaitan, Member	Non-Executive Independent Director	4	3
Shri Amrit Kapur, Member	Non-Executive Independent Director	4	4

**2. NOMINATION AND REMUNERATION COMMITTEE**

**(a) Brief description of the Terms of Reference of the Committee**

The Board had constituted the Nomination and Remuneration Committee comprising of Non-Executive Directors of the company namely Shri K S Bains as Chairman, Shri Vinay Kumar Modi, Shri Amrit Kapur and Shri Umesh Kumar Khaitan as members to recommend/ review, vary or modify terms & remuneration of executive directors and members of senior management, based on their performance and assessment criteria.

The brief terms of reference of Nomination and Remuneration Committee are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board Diversity.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The Committee Meetings were held on February 12 2021. The composition and the attendance of members at the meetings held during the FY 2020-21, are given below:

Director	Category	No. of meetings held	No. of meetings attended
Mr. Kanwaljit Singh Bains, Chairman	Non-Executive Independent Director	1	1
Shri Vinay Kumar Modi, Member	Non-Executive	1	1
Shri Umesh Kumar Khaitan, Member	Non-Executive Independent Director	1	1
Shri Amrit Kapur, Member	Non-Executive Independent Director	1	1

**(b) Policy for Nomination and remuneration**

The Remuneration Policy of the Company is directed towards rewarding and motivating for higher level of individual performance coupled with integrity, qualification expertise and experience of the person that would have a direct bearing on the Company's performance in a competitive landscape. The Independent non-executive directors are paid fees for attending Board/Committee meetings. Remuneration to KMPs and other employees are paid as per HR Policy of the company. (NOMINATION AND REMUNERATION Policy is uploaded on company's website at following weblink: [http://www.modirubberlimited.com/financial-result\\_details.php?mid=3&sid=19](http://www.modirubberlimited.com/financial-result_details.php?mid=3&sid=19));

**(c) Remuneration to Directors**

**All pecuniary relationships or transactions of the Non-Executive Directors with the Company:** Except the payment of sitting fee, the Company does not have any pecuniary relationship with any of its Non-Executive Directors as well as there is no transaction with the associates or relatives of the Non-Executive Directors during the financial year under review.

**Criteria of making payments to non-executive Directors**

Apart from receiving sitting fees, no Non-Executive Directors including Independent Directors received any fixed component & performance linked incentives from the company during the period under review.

**Remuneration to Directors**

The information/ details to be provided under Corporate Governance Code with regard to remuneration of Directors for the financial year 2020-21 are as follows:

**i. Executive Directors:**

**(Amount in Rs.)**

Name	Salary	P.F. and other allowances	Benefits and linked services	Total
Mr. Alok Kumar Modi	NIL	NIL	NIL	NA
Ms. Piya Modi	3571200	428544	NIL	3999744

**ii. Non- Executive Directors:**

**(Amount in RS.)**

Name of the Non-Executive Director	Sitting Fees		Total
	Board Meetings	Committee Meetings*	
Mr. Kanwaljit Singh Bains	40000	30000	70000
Mr. Vinay Kumar Modi	NIL	NIL	NA
Mr. Amrit Kapur	40000	30000	70000
Mr. Umesh Kumar Khaitan	40000	30000	70000

Note:-The Non-Executive independent Directors are paid remuneration by way of sitting fees, the details of which are mentioned below:

**3. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

**(a) Composition and terms and reference of committee**

The Stakeholders Relations Committee formerly known as Shareholders' / Investors' Grievance Committee looks after the share transfer work besides redressal of shareholder complaints. The committee consists of Shri Vinay Kumar Modi as Chairman, and Shri as Members. In order to expediting process for transfer of shares, Board of directors have delegated power to approve transfer of shares upto 1000 to the Company Secretary and from 1001 to 5000 to the managing director and transfer of shares beyond 5000 are approved by the Committee. During the year under review, company did not receive more than 5000 shares from single shareholders for approval by the committee.

The Committee Meetings were held on February 12 2021 The composition and the attendance of members at the meetings held during the FY 2020-21, is given below:

Director	Category	No. of meetings held	No. of meetings attended
Mr. Kanwaljit Singh Bains, Chairman	Non-Executive Independent Director	1	1
Shri Vinay Kumar Modi, Member	Non-Executive	1	1
Shri Umesh Kumar Khaitan, Member	Non-Executive Independent Director	1	1
Shri Amrit Kapur, Member	Non-Executive Director Independent Director	1	1

**(b) Name and designation of Compliance Officer**

The company secretary of the company acts as a compliance officer whose details are given as under:-

**Shri S.K BAJPAI**

**Legal Head & Company Secretary, Email: [investors@modigroup.net](mailto:investors@modigroup.net)**

**(c) Investors' Grievances Redressal**



The philosophy of the Company is to give utmost importance to the redressal of investor's grievances. The Company has designated a separate e-mail ID, as mentioned hereunder, for investors to lodge their complaints: - [investors@modigroup.net](mailto:investors@modigroup.net)  
During the year under review, complaints were received by the Company / Registrar and Share Transfer Agents from shareholders. All these complaints have since been redressed. There was no share transfer pending for registration as on 31st March, 2021.

#### 4. Corporate Social Responsibility ("CSR") Committee

##### a) Composition

The composition of the Corporate Social Responsibility Committee as on March 31, 2021 is as follows:

Name of the Member	Status	Category
Mr. Vinay Kumar Modi	Chairman	Non-Executive director
Mr. Alok Kumar Modi	Member	Executive Director
Mr. Kanwaljit Singh Bains	Member	Independent Director

##### b) Terms of reference of CSR Committee

Main terms of reference CSR Committee are as under:-

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the CSR related activities to be undertaken by the Company;
- To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

##### Meetings of Independent Director:

The Independent Directors without presence of Executive Directors or Management had a meeting for the financial year 2020-21 to mainly review the performance of non-independent directors of the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between Company Management and the Board.

##### GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
47 <sup>th</sup> AGM	Modi Bhawan, Modinagar	29.09.2020	11.30 A.M.
46 <sup>th</sup> AGM	Dayawati Modi Public School, Modinagar	30.09.2019	11.30 A.M.
45 <sup>th</sup> AGM	Dayawati Modi Public School, Modinagar	28.09.2018	11.30 A.M.

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

##### DISCLOSURES

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

##### Modi Rubber Limited

Related Parties Disclosures in accordance with Indian Accounting Standard (Ind AS) 24 of The Institute of Chartered Accountants of India

A) Subsidiary Companies	% Holdings	% Holdings
i) Modistone Ltd. (in liquidation) Official Liquidator has taken possession of the Company w.e.f. 25.07.2002- the date of appointment of Official Liquidator by Bombay High Court	55.32	55.32
ii) Superior Investment (India) Ltd.	100	100
iii) Spin Investment (India) Ltd	100	100
<b>B) Joint Venture</b>		
Gujarat Guardian Ltd.	21.24	21.24
Asahi Modi Materials Pvt. Ltd.	49.00	49.00
Modi Marco Aldany Pvt Ltd	50.00	50.00
<b>C) Associate</b>		
Vinura Beverages Pvt. Ltd. (An Associate of a wholly owned subsidiary)		
<b>D) Key Management Personnel:</b>		
Mr. Alok Kumar Modi-Managing Director		
Miss Piya Modi-Whole Time Director		
Mr. Sanjeev Kumar Bajpai-Company Secretary		
Mr. Kamal Gupta-Chief Financial Officer (CFO)		
<b>E) Relatives of Key Management Personnel</b>		
Mr. Vinay Kumar Modi (Father of Mr. Alok Kumar Modi)		
Mrs. Chander Bala Modi (Mother of Mr. Alok Kumar Modi)		
Mrs. Archana Singhania (Sister of Mr. Alok Kumar Modi)		
Mrs. Ritika Modi (Wife of Mr. Alok Kumar Modi)		
<b>F) Enterprises in which Key Management Personnel and relatives of Key Management Personnel has significant influence</b>		

Leaf Investment Pvt. Ltd.  
 Mod Fashions and Securities Pvt. Ltd  
 Uniglobe Mod Travels Pvt. Ltd  
 Uniglobe Travel (South Asia) Pvt. Ltd  
 Maple Bear Education Pvt. Ltd.

G) Transaction with Related Parties

The following transactions was carried out with related parties in the ordinary course of business:

S.No.	Particulars	Subsidiaries		Joint Controlled Entities		Associates		Enterprise under significant influence of Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
A)	<b>Expenses recovered</b>														
	Spin Investment (India) Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Superior Investment (India) Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gujarat Guardian Ltd	-	-	-	2.58	-	-	-	-	-	-	-	-	-	2.58
	Modi Marco Aldany Pvt Ltd	-	-	-	3.22	-	-	-	-	-	-	-	-	-	3.22
	Mod Fashions and Securities Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Uniglobe Mod Travels Pvt. Ltd.	-	-	-	-	-	-	-	12.81	-	-	-	-	-	12.81
	Maple Bear Education Pvt. Ltd.	-	-	-	-	-	-	-	11.39	-	-	-	-	-	11.39
	Uniglobe Travel (South Asia) Pvt. Ltd.	-	-	-	-	-	-	-	3.01	-	-	-	-	-	3.01
	<b>Sub-Total</b>	-	-	-	<b>5.80</b>	-	-	-	<b>27.21</b>	-	-	-	-	-	<b>33.01</b>
B)	<b>Expenses incurred</b>														
	Asahi Modi Materials Pvt. Ltd.	-	-	9.09	11.25	-	-	-	-	-	-	-	-	9.09	11.25
	Mod Fashions and Securities Pvt. Ltd.	-	-	-	-	-	-	15.96	15.96	-	-	-	-	15.96	15.96
	Uniglobe Mod Travels Pvt. Ltd.	-	-	-	-	-	-	2.74	80.13	-	-	-	-	2.74	80.13
	<b>Sub-Total</b>	-	-	<b>9.09</b>	<b>11.25</b>	-	-	<b>18.70</b>	<b>96.09</b>	-	-	-	-	<b>27.79</b>	<b>107.34</b>
C)	<b>Rent Income</b>														
	Spin Investment (India) Ltd.	12.00	12.00	-	-	-	-	-	-	-	-	-	-	12.00	12.00
	Superior Investment (India) Ltd.	12.00	12.00	-	-	-	-	-	-	-	-	-	-	12.00	12.00
	Gujarat Guardian Ltd	-	-	-	4.29	-	-	-	-	-	-	-	-	-	4.29
	Modi Marco Aldany Pvt Ltd	-	-	-	9.00	-	-	-	-	-	-	-	-	-	9.00
	Maple Bear Education Pvt. Ltd.	-	-	-	-	-	-	38.10	38.46	-	-	-	-	38.10	38.46
	Uniglobe Travel (South Asia) Pvt. Ltd.	-	-	-	-	-	-	10.80	10.80	-	-	-	-	10.80	10.80
	Uniglobe Mod Travels Pvt. Ltd.	-	-	-	-	-	-	8.18	-	-	-	-	-	8.18	-
	<b>Sub-Total</b>	<b>24.00</b>	<b>24.00</b>	-	<b>13.29</b>	-	-	<b>57.08</b>	<b>49.26</b>	-	-	-	-	<b>81.08</b>	<b>86.55</b>
D)	<b>Management Service Charges Income</b>														
	Spin Investment (India) Ltd.	12.00	12.00	-	-	-	-	-	-	-	-	-	-	12.00	12.00
	Superior Investment (India) Ltd.	12.00	12.00	-	-	-	-	-	-	-	-	-	-	12.00	12.00
	Asahi Modi Materials Pvt. Ltd.	-	-	40.29	48.26	-	-	-	-	-	-	-	-	40.29	48.26
	<b>Sub-Total</b>	<b>24.00</b>	<b>24.00</b>	<b>40.29</b>	<b>48.26</b>	-	-	-	-	-	-	-	-	<b>64.29</b>	<b>72.26</b>
E)	<b>Dividend received</b>														
	Gujarat Guardian Ltd	-	-	####	1,734.20	-	-	-	-	-	-	-	-	1,967.65	1,734.20
F)	<b>Investment in Joint Venture</b>														
	Modi Marco Aldany Pvt Ltd	-	-	-	227.41	-	-	-	-	-	-	-	-	-	227.41
G)	<b>Loan and advances given</b>														
	Modi Marco Aldany Pvt Ltd	-	-	105.00	58.00	-	-	-	-	-	-	-	-	105.00	58.00
H)	<b>Loan and advances received back</b>														
	Modi Marco Aldany Pvt Ltd	-	-	9.00	40.00	-	-	-	-	-	-	-	-	9.00	40.00
I)	<b>Interest income</b>														
	Modi Marco Aldany Pvt Ltd	-	-	11.47	0.49	-	-	-	-	-	-	-	-	11.47	0.49
J)	<b>Remuneration paid</b>														
	Mod Fashions and Securities Pvt. Ltd.	-	-	-	-	-	-	-	-	139.13	131.96	-	-	139.13	131.96
K)	<b>Sitting fee-Directors</b>														
	Mod Fashions and Securities Pvt. Ltd.	-	-	-	-	-	-	-	-	2.10	2.05	-	-	2.10	2.05
L)	<b>Receivable at the year end</b>														
	Spin Investment (India) Ltd.	-	25.92	-	-	-	-	-	-	-	-	-	-	-	25.92
	Superior Investment (India) Ltd.	-	25.92	-	-	-	-	-	-	-	-	-	-	-	25.92
	Gujarat Guardian Ltd	-	-	-	1.36	-	-	-	-	-	-	-	-	-	1.36
	Asahi Modi Materials Pvt. Ltd.	-	-	39.70	22.89	-	-	-	-	-	-	-	-	39.70	22.89
	Modi Marco Aldany Pvt Ltd	-	-	11.99	30.26	-	-	-	-	-	-	-	-	11.99	30.26
	Vinura Beverages Pvt. Ltd.	-	-	-	-	2.26	2.26	-	-	-	-	-	-	2.26	2.26
	Uniglobe Mod Travels Pvt. Ltd.	-	-	-	-	-	-	76.33	89.13	-	-	-	-	76.33	89.13
	Maple Bear Education Pvt. Ltd.	-	-	-	-	-	-	54.21	12.11	-	-	-	-	54.21	12.11
	Uniglobe Travel (South Asia) Pvt. Ltd.	-	-	-	-	-	-	241.26	229.35	-	-	-	-	241.26	229.35
	Mr. Alok Kumar Modi	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Miss Piya Modi	-	-	-	-	-	-	-	-	0.00	-	-	-	0.00	-
	<b>Sub-Total</b>	-	<b>51.84</b>	<b>51.69</b>	<b>54.51</b>	<b>2.26</b>	<b>2.26</b>	<b>371.81</b>	<b>330.60</b>	<b>0.00</b>	-	-	-	<b>425.77</b>	<b>439.21</b>
M)	<b>Payable at the quarter end</b>														
	Mod Fashions and Securities Pvt. Ltd.	-	-	-	-	-	-	-	5.75	-	-	-	-	-	5.75
	Mr. Alok Kumar Modi	-	-	-	-	-	-	-	-	0.20	0.00	-	-	0.20	0.00
	Miss Piya Modi	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-
	<b>Sub-Total</b>	-	-	-	-	-	-	-	<b>5.75</b>	<b>0.20</b>	<b>0.00</b>	-	-	<b>0.20</b>	<b>5.75</b>

\* Only material transactions are covered

- **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.**
- **The Company complies with all the mandatory requirements specified under LODR Regulations,**

#### MEANS OF COMMUNICATION

The Company has been sending Annual Reports, notices and other communications to the Shareholders through the prescribed modes under the Act like postage / Courier / electronically if email id of the shareholder is registered with the company.

The Quarterly, Annual Results of the Company as per the statutory requirement are generally published in the The Pioneer (English Newspapers) and Rashtriya Sahara (Hindi Newspapers) and are sent to the Stock Exchanges.

The quarterly and Annual Results along with additional information are also posted on the website of the Company [www.modirubberlimited.com](http://www.modirubberlimited.com)

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

#### GENERAL INFORMATION

Date, time and venue of the Annual General Meeting	: 27 <sup>th</sup> September 2021, 11.30 A.M., Modinagar-201 204
Book Closure	: 21.09.2021 to 27.09.2021 (both days inclusive)
Financial Calendar	: April 01, 2020 to March 31, 2021
Dividend payment date	: Nil
Listing on Stock Exchanges	: The Bombay Stock Exchange Ltd. (BSE) The National Stock Exchange of India Ltd. (NSE)
Stock code	: MODIRUBBER (NSE) : MODIRUBB (BSE) / 500890
Listing fees	: Duly paid for 2020 -21
Registrar and Transfer Agents :	:Mas Services Ltd., :T-34, 2 <sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi-110020,Ph:- 26387281 /82/83-Fax:-26387384,email:- <a href="mailto:info@masserv.com">info@masserv.com</a> ,website: <a href="http://www.masserv.com">www.masserv.com</a>

#### Share Transfer System

M/s. Mas Services Ltd. is the Share Transfer Agent of the Company for handling both physical and demat share registry work. Shares received for transfer complete in all aspects, in physical form are registered and dispatched normally within three weeks. Demat confirmations are normally sent within two weeks.

#### Dematerialization of Shares and Liquidity

Over 79.87% of the shares have been dematerialized upto 31.03.2021

#### 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.

Address for Correspondence for transfer/dematerialization of shares, and any other query:	Any query on Annual Report
Mas Services Ltd.,T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020, Ph:- 26387281/82/83 - Fax:- 26387384,email:- <a href="mailto:info@masserv.com">info@masserv.com</a> website :www.masserv.com	Secretarial Department, Modi Rubber Ltd, at 4-7C, DDA Shopping Centre, New Friends Colony, New Delhi – 110 025, Phone 011 – 26848416, 26848417 Fax No.011 - 26837530

#### Historic Price Data, Bombay Stock Exchange of India (BSE)

Month	Open Price	High Price	Low Price	Close Price	No.of Shares	No. of Trades	Total Turnover(Rs.)
Apr-20	30.5	31.4	28	29.9	427	10	12995
May-20	30	32	28.7	30.4	422	8	12419
Jun-20	30.95	32.35	27	31.5	2352	51	71116
Jul-20	33.05	34.95	28.5	28.5	1741	24	58308
Aug-20	29.7	34.4	28.75	32.4	4022	41	124268
Sep-20	31.6	34	26.3	28.8	2347	36	66983
Oct-20	30.2	31.1	27.85	30.15	4465	38	133136
Nov-20	31.65	34.55	29.5	33.1	7531	91	242543
Dec-20	33.1	39.75	31.8	33.75	11012	150	383277
Jan-21	34	56.9	33.2	56.9	7036	116	293344
Feb-21	59.7	150	59.7	150	26087	335	2890500
Mar-21	157.5	210.9	93.4	93.4	20000	376	3572318

#### Distribution of Shareholding

The following is the distribution pattern of shareholding of equity shares of the Company as on 31.03.2021:

NOMINAL VALUE OF EACH SHARE - RS. 10/-

NO. OF SHAREHOLDERS	% TO TOTAL	SHARE HOLDING OF NOMINAL VALUE OF RS	NO. OF SHARE	AMOUNT IN RS	% TO TOTAL
12497	95.201	1 TO 5000	1153868	11538680	4.60811352
396	3.017	5001 TO 10000	28295	282950	1.13
133	1.013	10001 TO 20000	185361	1853610	0.740
34	0.259	20001 TO 30000	84904	849040	.339
12	0.09100	30001 TO 40000	41007	41007	0.164
9	0.069	40001 TO 50000	40311	403110	0.161
22	.168	50001 TO 100000	157155	157155	0.628
24	.183	100001 AND ABOVE	23094976	230949760	92.230
13127	100.00	TOTAL	25040532	250405320	100.00

- TOTAL SHARE HOLDERS IN NSDL 3476 TOTAL SHARES IN NSDL 19619255
- TOTAL SHARE HOLDERS IN CDSL 2159 TOTAL SHARES IN CDSL 379986
- TOTAL SHARE HOLDERS IN PHY 7546 TOTAL SHARES IN PHY 5041291
- TOTAL SHARE HOLDERS 13181 TOTAL SHARES 25040532
- 54 HOLDER ARE COMMON IN DEMAT & PHYSICAL

Summary Upto 1 Lac And More Then 1 lac As On 31/03/2021

DEFINATION	NO OF SHARE Holders	PHYSICAL HOLDING	CDSL HOLDING	NSDL HOLDING	Total HOLDING
UP TO 1 LAC	12880	948560	282658	624204	1855422
MORE THEN 1 LAC	10	0	90851	282306	373157
Total	12890	948560	373509	906510	2228579

Shareholding pattern as on 31.03.2021

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			
								No of Voting (XIV) Rights		Total as a % of (A+B+C)	
							Class eg: X	Class eg: y	Total		
(A)	Promoter & Promoter Group	7	15698952			15698952	62.69	15698952		15698952	62.69
(B)	Public	13120	9341580			9341580	37.31	9341580		9341580	37.31
(C)	Non Promoter- Non Public										
(C1)	Shares underlying DRs										
(C2)	Shares held by Employee Trusts										
	Total	13127	25040532			25040532	100	25040532		25040532	100

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Alok Kumar Modi, Managing Director of Modi Rubber Limited ("the Company") hereby declare that, to the best of my information, all the Board Members and Senior Management Personnel of the Company have affirmed their compliance and undertaken to continue to comply with the Code of Conduct laid down by the Board of Directors of the Company.

Place: Dubai/ New Delhi  
Date: August 13, 2021

Alok Modi  
(DIN: 00174374)  
Managing Director

For and on behalf of the Board of Directors  
Piya Modi  
(DIN: 03623417)  
Wholtime Director

**CEO AND CFO CERTIFICATION**

We, Mr. Kamal Gupta, Chief Financial Officer and Ms. Piya Modi, Wholetime director, of Modi Rubber Limited to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2021 and that to the best of our knowledge and belief:
  1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
  1. Significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during year & that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: August 13, 2021

Place: New Delhi

For and on behalf of the Board of Directors

Piya Modi

Wholetime director

Kamal Gupta

Chief Financial Officer

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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the members

**Modi Rubber Limited**

**Independent Auditors' Certificate on Corporate Governance**

1. We, Suresh Surana & Associates LLP, Chartered Accountants, the Statutory Auditors of MODI RUBBER LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

**Managements' Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

**Auditor's Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2021.

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

Place: New Delhi

Date: 31<sup>st</sup> August 2021

FOR SURESH SURANA & ASSOCIATES LLP  
Chartered Accountants  
Firm's Registration No. 121750 W / W-100010  
(Ravinder Pal Singh)  
PARTNER  
Membership No. 096570  
UDIN:-21090988AAAARW7578



## INDEPENDENT AUDITORS' REPORT

**To,  
The Members of  
Modi Rubber Limited**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **Modi Rubber Limited, (“the Company”)** which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### **Emphasis of Matter**

Without qualifying our opinion, we draw attention Note 44 of the financial statements wherein it is stated that due to impact of Covid-19 on the business of the joint venture of the company, the joint ventures has incurred cash losses during the year and has significant accumulated losses as at 31<sup>st</sup> March 2021. Given effect to same and in view of the prudence concept, the company has provided provision for impairment in the value of investment amounting to Rs 748.54 lacs to the extent of its share in net accumulated losses of joint venture at 31<sup>st</sup> March 2021.

### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters	How our audit addressed the key audit matter
<b>Evaluation of contingencies &amp; uncertain tax positions</b>	
<p>Prior to closure of operations by illegal strikes of the workers in August 2001, and thereafter sanction of Rehabilitation Scheme under the provisions of SICA by BIFR on 21.04.2008 (refer note 41 &amp; 42 of financial statements), the Company operated in multiple jurisdictions and subjected to periodic challenges by local tax authorities, income tax authorities, labour law authorities &amp; other statutory authorities on a range of various tax &amp; other matters during the normal course of business. These involve significant management judgment to determine the possible outcome of the uncertain tax positions &amp; other contingencies consequently having an impact on related accounting and disclosures in the standalone financial statements. Refer Note 2(m) ,Note 24(a) &amp; Note 40 to the standalone financial statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of key contingencies &amp; uncertain tax positions and ;</li> <li>• We along with our internal legal experts -               <ul style="list-style-type: none"> <li>➢ Read and analysed select key correspondences, external legal opinions / consultations by management for key contingencies &amp; uncertain tax positions;</li> <li>➢ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and</li> <li>➢ Assessed managements estimate of the possible outcome of the disputed cases.</li> </ul> </li> </ul>

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, if applicable we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such

disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. 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;
- c. the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with rules 7 of the Companies (Accounts) Rules, 2014;
- e. The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company
- f. on the basis of written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021, from being appointed as a director in terms of Section 164(2) of the Act.

- g. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and;
- h. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- i. with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014. in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigation on its financial position in its financial statements- Refer Note 40 to the financial statements;;
  - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR SURESH SURANA & ASSOCIATES LLP  
Chartered Accountants  
Firm’s Registration No. 121750 W / W-100010

Ravinder Pal Singh  
PARTNER  
Membership No.  
UDIN:

Place: New Delhi  
Dated: 30<sup>th</sup> June 2021



**ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date)**

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has regular programme of physical verification of its fixed assets by which all fixed assets (except the assets which the Company has no access) of respective locations are verified in a phased manner over a period of three years. Accordingly, physical verification of fixed Assets was carried out in financial year 2019-20. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the following cases (Refer Note 3).

<b>S. No.</b>	<b>Nature of Property</b>	<b>Gross Block (Rs. Lacs)</b>	<b>Net Block (Rs. Lacs)</b>
1	Building on leasehold land	27.49	21.61
2	Building on freehold land	18.96	14.78

2. As explained to us, the physical verification of inventory has not been conducted during the year due to no access to such inventory (Refer note 9).
3. In our opinion, and according to the information and explanations given to us, the Company has granted unsecured loans in previous years and during the year to Companies covered in the register maintained under Section 189 of the Act.
  - (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the company in previous years to parties covered in the register maintained under section 189 of the Companies Act, 2013, are not prejudicial to the company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayment of principal and interest is irregular. Accordingly, unable to make specific comment on the regularity of repayment of principal and interest
  - (c) The amount is not overdue in respect of loans granted by the company in previous years to parties covered in the register maintained under section 189 of the Companies Act, 2013 as repayable on demand.
4. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of the loans.

5. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits during the year within the meaning of Sections 73 to 76 of the Act and the rules framed there under, to the extent notified.
6. In our opinion, and accounting to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the companies (cost records and audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Act are not applicable to the Company for the year under audit.
7. (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, with the appropriate authorities during the year. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31 March 2021 for a period of more than six months from the date they became payable except sales tax dues of various state authorities amounting of Rs.1,030.50 lacs. (Refer Note 24(a))
- (b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute other than the following:

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Amount (Rs. lacs)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Central Excise Act, 1944	Excise Duty	77.40	1977-78	Allahabad High Court
Central Excise Act, 1944	Excise Duty	69.11	July, 2001	Allahabad High Court
Foreign Trade Development and Regulation Act, 1992	Custom Duty	200.00	1995-1996	Additional DGFT Commissioner (A)
Income Tax Act, 1961	Income Tax	944.73	2003-2004	Delhi High Court
PGST ACT, 1948	Sales Tax	17.53	1992 to 2002	Deputy Excise & Taxation Commissioner, Jalandhar
Bihar Sales Tax Act	Sales Tax	101.23	2001-2001	Commercial Taxes Tribunal, Patna
UP Trade Tax Act	Sales Tax	25.55	1977-1978	Allahabad High Court

UP Trade Tax Act	Sales Tax	47.19	2000-2001	Allahabad High Court
UP Trade Tax Act	Sales Tax	32.24	2001-2002	Allahabad High Court
UP Trade Tax Act	Sales Tax	70.05	2001-2002	Allahabad High Court

8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayments of loans and borrowings from any financial institution, banks, government or debenture holders during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loan raised by the company was applied for the purpose for which it was raised.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year. .
11. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. Based on our audit procedures and as per the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. Based on our audit procedures and as per the information and explanations given by the management, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR SURESH SURANA & ASSOCIATES LLP  
Chartered Accountants  
Firm's Registration No. 121750 W / W-100010

Ravinder Pal Singh  
PARTNER  
Membership No.

UDIN:

Place: New Delhi

Dated: 30<sup>th</sup> June 2021

## **ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Modi Rubber Limited, ("the Company")** as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR SURESH SURANA & ASSOCIATES LLP  
Chartered Accountants  
Firm's Registration No. 121750 W / W-100010

Ravinder Pal Singh  
PARTNER  
Membership No.  
UDIN:

Place: New Delhi  
Dated: 30<sup>th</sup> June 2021

**Modi Rubber Limited**  
**Balance Sheet as at March 31, 2021**

(Amount in lacs)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>I ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,699.53	2,945.08
Capital work-in-progress	3	25.10	-
Other intangible assets	3	1.30	1.88
<b>Financial Assets</b>			
Investments	4	7,544.82	7,048.32
Loans	5	16.23	16.03
Other financial assets	6	1,337.52	4,100.17
Deferred tax assets(net)	7	240.56	177.65
Other non-current assets	8	638.93	972.14
<b>Total non-current assets</b>		<b>12,503.99</b>	<b>15,261.27</b>
<b>Current assets</b>			
Inventories	9	-	-
<b>Financial assets</b>			
Investments	10	5,210.60	3,817.10
Trade receivables	11	79.03	113.67
Cash and cash equivalents	12	97.11	602.79
Loans	13	138.03	41.10
Other financial assets	14	3,034.36	3.32
Current tax assets (net)	15	-	-
Other current assets	16	256.47	241.19
<b>Total current assets</b>		<b>8,815.60</b>	<b>4,819.17</b>
<b>Total Assets</b>		<b>21,319.59</b>	<b>20,080.44</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	2,504.05	2,504.05
Other equity	18	16,223.41	14,313.66
<b>Total equity</b>		<b>18,727.46</b>	<b>16,817.71</b>
<b>LIABILITIES</b>			
<b>Non-Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	261.51	291.74
Other financial liabilities	20	143.84	157.91
Other non-current liabilities	21	4.31	5.28
<b>Total non-current liabilities</b>		<b>409.66</b>	<b>454.93</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	22	136.62	136.62
Other financial liabilities	23	711.38	833.19
Other current liabilities	24	1,334.47	1,837.99
<b>Total current liabilities</b>		<b>2,182.47</b>	<b>2,807.80</b>
<b>Total Equity and Liabilities</b>		<b>21,319.59</b>	<b>20,080.44</b>

The accompanying notes 1 to 48 form an integral part of these financial statements.

As per our report of even date  
**For Suresh Surana & Associates LLP**  
Chartered Accountants  
Firm's Registration No.121750 W/W-100010

**Ravinder Pal Singh**  
Partner  
Membership No.: 090988

Place : New Delhi  
Date : 30th June 2021

For and on behalf of the Board of Directors of  
**Modi Rubber Limited**

Alok Kumar Modi (DIN: 00174374) S.K. Bajpai (ACS: 10110)  
**Managing Director** **Head- Legal &**  
**Company Secretary**

Piya Modi (DIN: 03623417)  
**Director**

Amrit Kapur (DIN: 00508710) **Kamal Gupta**  
**Director** **Chief Financial Officer**

Place : New Delhi/ Ghaziabad/ Dubai

**Modi Rubber Limited**  
**Statement of Profit and Loss for the year ended March 31, 2021**

(Amount in lacs)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue</b>			
Revenue from operations	25	301.17	513.35
Other income	26	3,120.82	2,669.19
<b>Total revenue</b>		<b>3,421.99</b>	<b>3,182.54</b>
<b>Expenses</b>			
Employee benefits expense	27	413.08	465.41
Finance costs	28	62.14	57.17
Depreciation and amortization expense	3	267.99	297.30
Other expenses	29	1,206.76	1,513.24
<b>Total expenses</b>		<b>1,949.97</b>	<b>2,333.12</b>
<b>Profit/ (Loss) before exceptional item and tax</b>		<b>1,472.02</b>	<b>849.42</b>
<b>Exceptional item</b>			
Provision for diminution in the value of investment	44	748.54	-
<b>Profit/ (Loss) before tax</b>		<b>723.48</b>	<b>849.42</b>
<b>Tax expense</b>			
Current tax			
Current year		154.77	-
Earlier years		(1.57)	101.07
Deferred tax		(200.58)	183.80
<b>Total tax expense</b>		<b>(47.38)</b>	<b>284.87</b>
<b>Profit/ (Loss) for the year</b>		<b>770.86</b>	<b>564.55</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of post employment benefit obligations		31.51	(0.84)
- Income tax related to above items		(8.19)	0.22
- Investment in equity instruments measured at fair value		1,245.05	(262.29)
- Income tax related to above items		(129.48)	27.28
<b>Other comprehensive income for the year (net of income tax)</b>		<b>1,138.89</b>	<b>(235.63)</b>
<b>Total comprehensive income for the year</b>		<b>1,909.75</b>	<b>328.92</b>

The accompanying notes 1 to 48 form an integral part of these financial statements.

Earnings per equity share (nominal value of Rs 10 per share)	30		
Basic & Diluted (Rs)		<b>3.08</b>	<b>2.25</b>

As per our report of even date  
**For Suresh Surana & Associates LLP**  
Chartered Accountants  
Firm's Registration No.121750 W/W-100010

For and on behalf of the Board of Directors of  
**Modi Rubber Limited**

Alok Kumar Modi (DIN: 00174374) S.K. Bajpai (ACS: 10110)  
**Managing Director** **Head- Legal & Company Secretary**

**Ravinder Pal Singh**  
Partner  
Membership No.: 090988

Piya Modi (DIN: 03623417) Kamal Gupta  
**Director** **Chief Financial Officer**

Amrit Kapur (DIN: 00508710)  
**Directors**

Place : New Delhi  
Date : 30th June 2021

Place : New Delhi/ Ghaziabad/ Dubai



Modi Rubber Limited  
Statement of changes in equity for the year ended March 31, 2021

A. Equity Share Capital

For the year ended March 31, 2021

(Amount in lacs)

Balance as at April 01, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
2,504.05	-	2,504.05

For the year ended March 31, 2020

(Amount in lacs)

Balance as at April 01, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
2,504.05	-	2,504.05

B. Other Equity

For the year ended March 31, 2021

(Amount in lacs)

Particulars	Reserves & Surplus			Items of Other comprehensive income		Total
	Capital reserve	Security premium reserve	Retained earnings	Actuarial gain/ (loss)	Equity instruments measured at fair value	
<b>Balance as at April 1, 2020</b>	19.26	5,782.32	8,619.82	12.40	(120.14)	<b>14,313.66</b>
IndAS 116 transition adjustment (Refer note 36)	-	-	-	-	-	-
<b>Balance as at April 1, 2020 Net</b>	19.26	5,782.32	8,619.82	12.40	(120.14)	<b>14,313.66</b>
Profit/ (loss) for the year	-	-	770.86	-	-	<b>770.86</b>
Other comprehensive income	-	-	-	31.51	1,245.05	<b>1,276.56</b>
Income tax on OCI items	-	-	-	(8.19)	(129.48)	<b>(137.67)</b>
<b>Total Comprehensive Income</b>	-	-	<b>770.86</b>	<b>23.32</b>	<b>1,115.57</b>	<b>1,909.75</b>
<b>Balance as at March 31, 2021</b>	<b>19.26</b>	<b>5,782.32</b>	<b>9,390.68</b>	<b>35.72</b>	<b>995.43</b>	<b>16,223.41</b>

For the year ended March 31, 2020

(Amount in lacs)

Particulars	Reserves & Surplus			Items of Other comprehensive income		Total
	Capital reserve	Security premium reserve	Retained earnings	Actuarial gain/ (loss)	Equity instruments measured at fair value	
<b>Balance as at April 1, 2019</b>	19.26	5,782.32	8,029.19	13.02	114.87	<b>13,958.66</b>
IndAS 116 transition adjustment (Refer note 36)	-	-	26.08	-	-	<b>26.08</b>
<b>Balance as at April 1, 2019 NET</b>	19.26	5,782.32	8,055.27	13.02	114.87	<b>13,984.74</b>
Profit/ (loss) for the year	-	-	564.55	-	-	<b>564.55</b>
Other comprehensive income	-	-	-	(0.84)	(262.29)	<b>(263.13)</b>
Income tax on OCI items	-	-	-	0.22	27.28	<b>27.50</b>
<b>Total Comprehensive Income</b>	-	-	<b>564.55</b>	<b>(0.62)</b>	<b>(235.01)</b>	<b>328.92</b>
<b>Balance as at March 31, 2020</b>	<b>19.26</b>	<b>5,782.32</b>	<b>8,619.82</b>	<b>12.40</b>	<b>(120.14)</b>	<b>14,313.66</b>

**Modi Rubber Limited**  
**Cash flow Statement for the year ended March 31, 2021**

(Amount in lacs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>723.48</b>	849.42
Adjustments for:		
Depreciation and amortization	267.99	297.30
Provision of doubtful debts and advances	56.86	20.00
(Profit)/ loss on sale of property, plant and equipment	(1.96)	3.48
(Profit)/ loss on sale of investment	(33.24)	(24.54)
Financial assets measured at fair value	(162.53)	(219.45)
Interest on security deposit at amortised cost	(1.56)	(2.99)
Interest expenses	6.59	8.82
Interest on lease	18.51	18.73
Liabilities written back	(40.06)	(443.31)
Interest income	804.12	(114.56)
Dividend income	(2,003.45)	(1,765.00)
Sundry balances written off	-	47.33
Exceptional item	748.54	
Unwinding of discount on financial assets at amortized cost	1.68	3.62
<b>Operating Profit before working capital changes</b>	<b>384.97</b>	(1,321.15)
Adjustments for:		
Increase/(decrease) in other non-current financial liabilities	0.78	(44.06)
Increase/(decrease) in other non-current liabilities	(0.97)	(1.55)
Increase/(decrease) in other current financial liabilities	(67.93)	163.40
Increase/(decrease) in other current liabilities	(498.49)	(179.20)
Decrease/(increase) in loans and advances	(98.81)	(15.08)
Decrease/(increase) in other non-current assets	(106.13)	74.09
Decrease/(increase) in trade receivables	(22.22)	(90.65)
Decrease/(increase) in other non current financial assets	2,604.44	383.21
Decrease/(increase) in other current financial assets	(2,902.63)	28.19
Decrease/(increase) in other current assets	(15.28)	(40.43)
<b>Net cash generated from operations</b>	<b>(722.27)</b>	(1,043.23)
Less: Taxes paid, net of refund	312.62	(83.81)
<b>Net cash from operating activities (A)</b>	<b>(409.65)</b>	(1,127.04)
<b>B Cash flows from investing activities</b>		
Dividend received	2,003.45	1,765.00
Interest received	(774.32)	122.95
Purchase of property, plant and equipment & Intangibles	(54.90)	(138.07)
Sale of property, plant and equipment & Intangibles	9.90	-
Purchase of long term investments	-	(227.41)
Proceeds from sale of short term investments	1,498.42	3,205.00
Purchase of short term investments	(2,696.14)	(3,800.00)
<b>Net cash from investing activities (B)</b>	<b>(13.59)</b>	927.47
<b>C Cash flows from financing activities</b>		
Increase/ (decrease) in borrowings	(42.74)	12.76
Repayment of lease obligation	(33.11)	(33.12)
Interest paid	(6.59)	(8.82)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(82.44)</b>	(29.18)
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(505.68)</b>	(228.75)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>602.79</b>	831.54
<b>Cash and cash equivalents at the end of the year</b>	<b>97.11</b>	602.79

**Modi Rubber Limited**  
**Cash flow Statement for the year ended March 31, 2021**

(Amount in lacs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Notes:</b>		
(i) The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Cash Flow Statements.		
(ii) Amounts in brackets represent a cash outflow or a loss.		
(iii) Components of cash and cash equivalents included under cash and bank balances are as below:		
<b>Cash and cash equivalents (note 12)</b>		
Cash in hand	5.26	4.58
Balances with banks		
- In current account	91.85	598.21
- Deposits with original maturity of upto 3 months	-	-
<b>Total</b>	<b>97.11</b>	<b>602.79</b>

The accompanying notes 1 to 48 form an integral part of these financial statements.

As per our report of even date  
**For Suresh Surana & Associates LLP**  
Chartered Accountants  
Firm's Registration No.121750 W/W-100010

For and on behalf of the Board of Directors of  
**Modi Rubber Limited**

**Ravinder Pal Singh**  
Partner  
Membership No.: 090988

Alok Kumar Modi (DIN: 00174374) **Managing Director**  
S.K. Bajpai (ACS: 10110) **Head- Legal & Company Secretary**

Piya Modi (DIN: 03623417) **Directors**  
Kamal Gupta **Chief Financial Officer**

Amrit Kapur (DIN: 00508710) **Director**

Place : New Delhi  
Date : 30th June 2021

Place : New Delhi/ Ghaziabad/ Dubai

## Modi Rubber Limited

### Significant accounting policies and other notes to financial statements for the year ended March 31, 2021

#### 1. CORPORATE INFORMATION

Modi Rubber Ltd. ("the Company") is a company domiciled in India, with its registered office situated at Modi Bhawan, Modinagar-201204, District Ghaziabad, Uttar Pradesh. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the BSE & NSE in India.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Preparation of Financial Statements

##### a) Statement of Compliance

These Financial Statements are prepared on accrual basis of accounting and all principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the financial years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

##### b) Basis of Preparation and Presentation

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period and in case of certain items of Income/Expenditure where recovery/payment is uncertain.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### Functional and Presentation Currency

The financial statements have been prepared and presented in Indian Rupees (₹), which is also the Company's functional currency.

##### Rounding off

All amounts in the financial statement and accompanying notes are presented in ₹ Lakhs and have been rounded-off to two decimal place unless stated otherwise.

##### Current and Non-current Classification

The Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents.

##### c) Inventories

Inventories comprising of consumable and spares are valued at lower of cost and net realizable value after providing for obsolescence.

Costs comprise all cost of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

##### d) Property, Plant and equipment

i) Items of property, plant & equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost is inclusive of freight, duties, taxes or levies (net of

## Modi Rubber Limited

### Significant accounting policies and other notes to financial statements for the year ended March 31, 2021

recoverable taxes) and any directly attributable cost of bringing the assets to their working condition for intended use.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Profit or loss on disposal/ scrapping/ write off/ retirement from active use of an item of property, plant and equipment is recognised in the statement of profit and loss.

Leasehold land, building on leasehold land as well as building on freehold land that are neither held to earn rentals nor for capital appreciation do not qualify as investment property.

- ii) Intangible assets acquired separately are measured on initial recognition at cost. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized

#### Impairment of Property, Plant and Equipment

At each balance sheet date, items of property, plant and equipment are reviewed to determine whether there is any indication of impairment. If any impairment indicator exists, estimate of the recoverable amount of the property, plant and equipment is made. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount rate.

Reversal of impairment losses recognised in earlier years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for that asset in earlier years.

#### e) Depreciation and Amortization

- i) Depreciation on Machinery is provided on Straight Line method and other assets on the written down value method over the useful estimated lives of assets as mentioned in Schedule II of the Companies Act, 2013. The estimated useful lives of the assets are as follows:

Assets	Useful Life
Building	30-60 years
Plant & Machinery	15 years
Furniture & Fixtures	10 years
Electrical Installation	10 years
Vehicles	8 years
Office Equipment	5 years
Computers	3 years

- ii) Intangible assets are amortized on a straight line basis over the estimated useful economic life

## Modi Rubber Limited

### Significant accounting policies and other notes to financial statements for the year ended March 31, 2021

- iii) The company considers purchase of Mobile phones as revenue expenditures, hence they are charged to profit & loss a/c in the year of its purchase.
- iv) Depreciation on Investment property is provided on the written down value method over the useful estimated lives of assets as mentioned in Schedule II of the Companies Act, 2013. Useful lives and residual values of all the fixed assets are reviewed annually.

#### f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

##### Revenue from Operations

Revenue is measured in accordance with IND AS 115. Revenue comprises of sale of rooms, foods & beverage and allied services relating to guest house operations. Revenue is recognised upon rendering of services, provided persuasive evidence of an arrangement exists, tariff/rates are fixed or are determinable and collectability is reasonably certain. Revenue from sales of goods or rendering of services is net of indirect taxes, returns or discounts.

Rental income from operating leases is recognized on a straight-line basis over the lease term

##### Interest

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

##### Dividend

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

**Other Incomes are recognized on accrual basis.**

#### g) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### Current Tax

The tax currently payable is based on taxable profits for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can

**Modi Rubber Limited****Significant accounting policies and other notes to financial statements for the year ended March 31, 2021**

be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Current and Deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**Minimum Alternate Tax**

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**h) Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earning per share is the net profit for the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares that could have been issued upon conversion.



**Modi Rubber Limited****Significant accounting policies and other notes to financial statements for the year ended March 31, 2021****i) Leases**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

**Company as a lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease

## Modi Rubber Limited

### Significant accounting policies and other notes to financial statements for the year ended March 31, 2021

and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

#### j) **Foreign Exchange Transactions**

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

#### k) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

#### l) **Employee Benefits**

##### **Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, expected cost of bonus, ex-gratia, leave travel allowance, medical reimbursement, etc. are recognised in the period in which the employee renders the related services.

**Compensated absences:** As per the Company's leave policy, employees have to utilise their leave entitlement during the financial year and cannot carry forward their outstanding leave balance. Consequently, the Company does not make any provision for leave encashment/compensated absences as at the year end

##### **Post employment benefit plans**

**Defined Contribution Plan** - Contributions towards Employees' PF Linked Pension Scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

## Modi Rubber Limited

### Significant accounting policies and other notes to financial statements for the year ended March 31, 2021

#### Defined Benefit Plan

**Provident Fund:** Contribution towards provident fund are made to Employees' Provident Fund Organisation, India.

**Gratuity:** The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering employees on actual duty. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognised in the Other Comprehensive Income in the year in which they arise.

#### m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent assets, where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect, measured using the principles set out for provisions in Ind AS 37. Contingent assets are not recognised in the financial statements.

#### n) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### o) Financial instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments.

#### Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Regular way purchase and sale of financial assets are accounted for at trade date.

## Modi Rubber Limited

### Significant accounting policies and other notes to financial statements for the year ended March 31, 2021

#### Subsequent measurement

##### a) Non-derivative financial instruments

###### i) Cash and Cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

###### ii) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### iii) Equity investments at fair value through other comprehensive income (FVTOCI)

These include financial assets that are equity instruments and are irrevocably designated as such upon initial recognition. Subsequently, these are measured at fair value and changes therein are recognized directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognized in the Statement of Profit and Loss when the right to receive payment has been established. When the equity investment is derecognized, the cumulative gain or loss in equity is transferred to retained earnings.

###### iv) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

###### v) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### b) Share Capital

###### Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognized as a deduction from equity.

##### c) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## Modi Rubber Limited

### Significant accounting policies and other notes to financial statements for the year ended March 31, 2021

#### p) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

The fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability

#### q) Impairment of Financial Assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

#### r) RECENT INDIAN ACCOUNTING STANDARDS

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

##### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

**Modi Rubber Limited****Significant accounting policies and other notes to financial statements for the year ended March 31, 2021**

- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the company will evaluate the same to give effect to them as required by law.

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3. Property Plant & Equipment

As at March 31, 2021 Particulars	Gross Block				Depreciation/Amortisation and Impairment				(Amount in lacs) Net Block
	As at	Additions	Deductions/ Adjustments	As at	As at	For	Deductions/ Adjustments	Upto	As at
	April 1, 2020			March 31, 2021	April 1, 2020	the year		March 31, 2021	March 31, 2021
<b>Assets taken on lease</b>									
Leasehold land	127.53	-	-	127.53	-	-	-	-	127.53
Building on leasehold land*	1,698.82	-	-	1,698.82	233.35	71.94	-	305.29	1,393.53
<b>(A)</b>	<b>1,826.35</b>	<b>-</b>	<b>-</b>	<b>1,826.35</b>	<b>233.35</b>	<b>71.94</b>	<b>-</b>	<b>305.29</b>	<b>1,521.06</b>
<b>Own assets</b>									
Freehold land	183.90	-	-	183.90	-	-	-	-	183.90
Building on freehold land**	351.41	-	-	351.41	55.23	15.69	-	70.92	280.49
Plant & machinery	177.92	-	-	177.92	-	-	-	-	177.92
Furniture and fixtures	503.84	2.50	-	506.34	276.47	59.27	-	335.74	170.60
Data Processing Equipment	16.90	6.25	-	23.15	13.35	3.06	-	16.41	6.74
Office equipments & electrical installation	459.16	21.05	-	480.21	270.53	56.90	-	327.43	152.78
Vehicles	325.22	-	51.57	273.65	199.67	38.45	43.63	194.49	79.16
Right to use asset (Refer note 36)	171.07	-	-	171.07	22.09	22.10	-	44.19	126.88
<b>(B)</b>	<b>2,189.42</b>	<b>29.80</b>	<b>51.57</b>	<b>2,167.65</b>	<b>837.34</b>	<b>195.47</b>	<b>43.63</b>	<b>989.18</b>	<b>1,178.47</b>
<b>Total (A) + (B)</b>	<b>4,015.77</b>	<b>29.80</b>	<b>51.57</b>	<b>3,994.00</b>	<b>1,070.69</b>	<b>267.41</b>	<b>43.63</b>	<b>1,294.47</b>	<b>2,699.53</b>

As at March 31, 2020 Particulars	Gross Block				Depreciation/Amortisation and Impairment				(Amount in lacs) Net Block
	As at	Additions	Deductions/ Adjustments	As at	As at	For	Deductions/ Adjustments	Upto	As at
	April 1, 2019			March 31, 2020	April 1, 2019	the year		March 31, 2020	March 31, 2020
<b>Assets taken on lease</b>									
Leasehold land	127.53	-	-	127.53	-	-	-	-	127.53
Building on leasehold land*	1,698.82	-	-	1,698.82	157.66	75.69	-	233.35	1,465.47
<b>(A)</b>	<b>1,826.35</b>	<b>-</b>	<b>-</b>	<b>1,826.35</b>	<b>157.66</b>	<b>75.69</b>	<b>-</b>	<b>233.35</b>	<b>1,593.00</b>
<b>Own assets</b>									
Freehold land	183.90	-	-	183.90	-	-	-	-	183.90
Building on freehold land**	314.55	36.86	-	351.41	42.42	12.81	-	55.23	296.18
Plant & machinery	177.92	-	-	177.92	-	-	-	-	177.92
Furniture and fixtures	500.33	3.51	-	503.84	197.67	78.80	-	276.47	227.37
Data Processing Equipment	15.45	1.57	0.12	16.90	11.74	1.61	-	13.35	3.55
Office equipments & electrical installation	435.50	27.19	3.53	459.16	202.07	68.63	0.17	270.53	188.63
Vehicles	256.68	68.54	-	325.22	162.95	36.72	-	199.67	125.55
Right to use asset (Refer note 36)	-	171.07	-	171.07	-	22.09	-	22.09	148.98
<b>(B)</b>	<b>1,884.33</b>	<b>308.74</b>	<b>3.65</b>	<b>2,189.42</b>	<b>616.85</b>	<b>220.66</b>	<b>0.17</b>	<b>837.34</b>	<b>1,352.08</b>
<b>Total (A) + (B)</b>	<b>3,710.68</b>	<b>308.74</b>	<b>3.65</b>	<b>4,015.77</b>	<b>774.51</b>	<b>296.35</b>	<b>0.17</b>	<b>1,070.69</b>	<b>2,945.08</b>

Gross Block

\*Building on leasehold land includes :-

- Alongwith other assets at Mumbai, possession of which (except one floor) is with the company as per court decision. Transfer of title of property is pending decision of court. 27.49

\* Building on leasehold land includes leasehold improvement

\*\*Building on freehold land include :-

- Alongwith cost of land on which depreciation charged on total cost 2.07  
- For which conveyance deed is yet to be executed (15, Friends Colony West, New Delhi) 18.96





Modi Rubber Limited  
Notes to financial statements for the year ended March 31, 2021

4. Non-current Investments

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>(a) Investment In Equity Instruments- Fully paid up</b>		
<b>Quoted (at fair value through Other comprehensive income) No.of Shares/Units (refer footnote i)</b>		
197,999 (March 31, 2020:197,999) Lords Chloro Alkali Ltd. of Rs. 10 each	57.52	35.64
680,001 (March 31, 2020: 680,001) Bihar Sponge Iron Ltd. of Rs. 10 each	14.48	2.45
166,490 (March 31, 2020: 166,490) Infosys Limited of Rs.5 each	2277.17	1066.04
	<u>2,349.17</u>	<u>1,104.13</u>
<b>Unquoted (at cost) No.of Shares/Units</b>		
<b>Subsidiaries</b>		
11,475,000 (March 31, 2020: 11,475,000) Modistone Ltd. of Rs. 10 each	2137.50	2137.50
Less : Provision for diminution in value of shares	(2137.50)	(2137.50)
29,915 (March 31, 2020: 29,915) Superior Investment (India) Ltd. of Rs. 100 each	29.92	29.92
29,915 (March 31, 2020: 29,915) Spin Investment (India) Ltd. of Rs. 100 each	29.92	29.92
<b>Joint Ventures</b>		
33,350,000 (March 31, 2020: 33,350,000) Gujarat Guardian Ltd. of Rs. 10 each	3335.00	3335.00
14,700,000 (March 31, 2020: 14,700,000) Asahi Modi Materials Pvt. Ltd. of Rs. 10 each	1470.00	1470.00
9,977,187 (March 31, 2020: 9,977,187) Modi Marco Aldany Pvt Ltd. of Rs. 10 each (3,327,187 shares Fully Paid up & 6,650,000 Partly Paid upto Rs 9.934 each)	993.35	993.35
Less : Provision for diminution in value of shares (refer note 44)	(748.54)	
	<u>5,109.65</u>	<u>5,858.19</u>
<b>Other Investments (at fair value) No.of Shares/Units</b>		
1,250,000 (March 31, 2020: 1,250,000) Spark Plug Ltd. of Rs. 10 each	125.00	125.00
Less : Provision for diminution in value of shares	(125.00)	(125.00)
	<u>-</u>	<u>-</u>
<b>(b) Others</b>		
<b>Joint Venture</b>		
860,000 (March 31,2021: 860,000) - 0.1% Non Cumulative Optionally Convertible Preference Shares of Modi Marco Aldany Pvt Ltd. of Rs.10 each (refer footnote (iii))	86.00	86.00
<b>Total</b>	<u><u>7,544.82</u></u>	<u><u>7,048.32</u></u>

Footnote:

- (i) Market Rate - (March 31, 2021: 2349.17 lacs; March 31, 2020: 1,104.13 lacs)  
(ii) For explanation on the Company credit risk management process refer note 33.1  
(iii) **Terms of Preference Shares**

The Company had invested in 860,000 Non Cumulative Optionally Convertible Preference Shares (OCPS) of Modi Marco Aldany Private Limited at face value of Rs.10 each. The total OCPS shall carry a coupon rate of 0.01% for Preference Dividend (Non Cumulative) from the date of allotment upto the date of redemption / conversion on the face value. The term of OCPS is maximum 20 years. The issuer shall only have an option to convert such no. of OCPS into Equity Shares of Rs. 10/- each at the option of the company at any time during the tenure of the OCPS i.e. 20 years from the date of issuance. The redemption would be done in accordance with the mutual agreement between issuer and the investor on a later date.

5. Non-current Loans

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Loans</b>		
<b>Unsecured, considered good</b>		
Others deposits for utilities	16.23	16.03
<b>Total</b>	<u><u>16.23</u></u>	<u><u>16.03</u></u>

(i) For explanation on the Company credit risk management process refer note 33.1

6. Other Non-current Financial Assets

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Restricted deposit with banks (Refer footnote a)		
Deposits with banks	1300.00	3,904.44
Interest accrued on non current bank balance	37.52	195.73
<b>Total</b>	<u><u>1,337.52</u></u>	<u><u>4,100.17</u></u>

Footnote

(a) Deposit with banks and interest accrued includes Rs 1,300 lacs and Rs 37.52 lacs respectively which represents payment made against bank guarantee issued in favour of the Registrar of Honourable Supreme Court in the matter of intercorporate deposits. (Refer Note 19(b))

Modi Rubber Limited  
Notes to financial statements for the year ended March 31, 2021

## 7. Deferred Tax Assets (Net)

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax assets</b>		
Taxes and Duties u/s 43B	303.91	294.45
Measurement of investment at fair value through profit or loss	(33.59)	(44.64)
Measurement of investment at fair value through Other	(0.24)	(0.27)
Rent equalisation reserve	36.94	40.74
MAT credit entitlement	154.77	-
<b>Deferred tax liabilities</b>		
Measurement of investment at fair value through other comprehensive income	(235.18)	(105.70)
On account of property, plant & equipment	(95.21)	(109.49)
Measurement of assets at amortised cost	121.71	106.92
Remeasurement of post employment benefit obligations	(12.55)	(4.36)
<b>Total</b>	<b>240.56</b>	<b>177.65</b>

## Movement in deferred tax balances

## March 31, 2021

Particulars	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2021
Difference in book depreciation and tax depreciation	(109.49)	14.28	-	(95.21)
Expenditures allowed under income tax on payment basis	294.45	9.46	-	303.91
Measurement of investment at fair value through profit or loss	(44.64)	11.05	-	(33.59)
Measurement of investment at fair value through other comprehensive income	(105.70)	-	(129.48)	(235.18)
Remeasurement of post employment benefit obligations	(4.36)	-	(8.19)	(12.55)
MAT credit entitlement	-	154.77	-	154.77
Measurement of liabilities at amortised cost	(0.27)	0.03	-	(0.24)
Measurement of assets at amortised cost	106.92	14.79	-	121.71
Rent equalisation reserve/ lease liability	40.74	(3.80)	-	36.94
<b>Net tax assets/ (liabilities)</b>	<b>177.65</b>	<b>200.58</b>	<b>(137.67)</b>	<b>240.56</b>

## March 31, 2020

Particulars	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2020
Difference in book depreciation and tax depreciation	(89.14)	(20.35)	-	(109.49)
Expenditures allowed under income tax on payment basis	482.89	(188.44)	-	294.45
Measurement of investment at fair value through profit or loss	(28.80)	(15.84)	-	(44.64)
Measurement of investment at fair value through other comprehensive income	(132.98)	-	27.28	(105.70)
Remeasurement of post employment benefit obligations	(4.58)	-	0.22	(4.36)
MAT credit entitlement	-	-	-	-
Measurement of liabilities at amortised cost	(1.95)	1.68	-	(0.27)
Measurement of assets at amortised cost	101.73	5.19	-	106.92
Rent equalisation reserve/ lease liability	6.78	33.96	-	40.74
<b>Net tax assets/ (liabilities)</b>	<b>333.95</b>	<b>(183.80)</b>	<b>27.50</b>	<b>177.65</b>

## 8. Other Non Current Assets

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Amount recoverable		
(a) Related party	-	-
(b) Others*		
(i) Unsecured Considered good	-	-
(ii) Unsecured Considered doubtful	19.55	19.55
	19.55	19.55
Less : Provision for doubtful advances	(19.55)	(19.55)
	-	-
<b>Deposits under disputes</b>		
Income tax	21.30	345.27
Custom	167.89	167.89
Others	26.64	26.64
Excess of fund value over gratuity liability	22.76	-
<b>Balance with statutory/government authorities</b>		
Advance tax , tax deducted at source and income tax refundable	290.49	432.34
Capital advances	109.85	-
	638.93	972.14
<b>Total</b>	<b>638.93</b>	<b>972.14</b>

Note:

\* The balance related to advance given to company in which operations have been shut down, the company has provided provision for the same considering the uncertainty over recoverability of such amount.

Modi Rubber Limited  
Notes to financial statements for the year ended March 31, 2021

9. Inventories

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>(As taken, valued and certified by the management)</b>		
Stores, spare parts and loose tools (scrap)(refer note 43)	75.42	75.42
Less: Provision for obsolescence*	(75.42)	(75.42)
<b>Total</b>	<b>-</b>	<b>-</b>

\*The inventory referred above is lying in the Modi Tyre Factory (MTF) at Modinagar which is under possession of Official Liquidator of the Lessor Company. Due to unaccessability & uncertainty of its existence, the Company has provided provision for the same.

10. Current Financial Investments

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Investment in Mutual Funds -Fully Paid up</b>		
<b>Quoted ( at fair value through Profit &amp; Loss) (refer footnote i)</b>		
Nil units (March 31, 2020: 163,950.622) Axis Liquid Fund-Direct Growth (CF-DG)	-	3,614.02
6,236.88 units (March 31, 2020: 6,236.88) SBI Premier Liquid Fund - RP-G	199.77	192.94
259.61 units (March 31, 2020: 259.61) HDFC Liquid Fund - Direct plan-Growth Option	10.50	10.14
451,748.25 units (March 31, 2020: Nil) Axis Money Market Fund Direct Growth (MM-DG)	5000.33	-
<b>Total</b>	<b>5,210.60</b>	<b>3,817.10</b>

There is no significant restrictions on the right of ownership, realisability of investments or the remittance of income or proceeds of disposal.

11. Trade Receivables \*

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Unsecured and considered good unless otherwise specified</b>		
a) Debts outstanding for a period exceeding six months		
(i) Unsecured Considered good	8.05	14.81
(ii) Unsecured Considered doubtful	434.11	395.41
	442.16	410.22
Less : Provision for expected credit loss	(434.11)	(395.41)
	8.05	14.81
b) Others		
(i) Unsecured Considered good	70.98	98.86
(ii) Unsecured Considered doubtful	34.00	15.83
	104.98	114.69
Less : Provision for expected credit loss	(34.00)	(15.83)
	70.98	98.86
<b>Total</b>	<b>79.03</b>	<b>113.67</b>

\*Includes amount due from related parties (Refer note 37)

(i) For explanation on the company credit risk management process refer note 33.1

(ii) For long outstanding trade receivables refer credit risk management process note 33.1

12. Cash and Cash Equivalents

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Cash on hand	5.26	4.58
Balances with banks:		
Current accounts	91.85	598.21
<b>Total</b>	<b>97.11</b>	<b>602.79</b>

For explanation on the company credit risk management process refer note 33.1

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## 13. Current Loans

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Loans</b>		
<b>Unsecured</b>		
Loans and advances to Related Party *		
(i) Unsecured Considered good	114.00	18.00
(ii) Unsecured Considered doubtful	2.26	2.26
Less : Provision for doubtful loan	(2.26)	(2.26)
	<u>114.00</u>	<u>18.00</u>
Staff Advances		
(i) Unsecured Considered good	24.03	23.10
(ii) Unsecured Considered doubtful	7.46	7.46
	<u>31.49</u>	<u>30.56</u>
Less : Provision for doubtful advances	(7.46)	(7.46)
	<u>24.03</u>	<u>23.10</u>
<b>Total</b>	<u><b>138.03</b></u>	<u><b>41.10</b></u>

\* Includes amount due from Associate:  
Vinura Beverages Pvt Ltd. (Refer note 37)

(i) For explanation on the company credit risk management process refer note 33.1

(ii) For long outstanding receivables refer credit risk management process note 33.1

## 14. Other Current Financial Assets

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Deposits with banks	2905.47	-
Interest accrued on fixed deposits & loan	128.41	-
Advances & other recoverable	0.48	1.26
Accrued Income	-	2.06
<b>Total</b>	<u><b>3,034.36</b></u>	<u><b>3.32</b></u>

a) Deposit with banks and interest accrued includes Rs 2,798.47 lacs and Rs 117.11 lacs respectively which represents two escrow accounts which were initially created for a period of eight years due to Share Purchase Agreement dated July 15, 2011, between the Company & Continental India Limited ("buyer"), in order to cover unascertained liabilities prior to 15th July 2011 which can be claimed by the buyer till 15th July 2019. Pending to the settlement of claims, the parties have mutually agreed to extend the FDRs period in the escrow account till 15th July 2021. Based on the legal opinion taken by the company from legal expert in earlier year, the company has disclosed the interest income accrued till 31st March 2020 on escrow account deposit under "Other Current Liabilities". However, based on the present development in the case and contention of the management, the company has written back the complete interest amount, accrued till 31st March 2020 on given FDR's and shown it under "Other Income". (Refer Note 24 and 26).  
For explanation on the company credit risk management process refer note 33.1

## 15. Current Tax Assets (Net)

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Current tax (net of provision for tax amounting to Rs Nil (March 31, 2020: Rs Nil))	-	-
<b>Total</b>	<u><b>-</b></u>	<u><b>-</b></u>

## 16. Other Current Assets

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Other claims recoverable		
(i) Unsecured Considered good	93.21	93.21
(ii) Unsecured Considered doubtful	31.98	31.98
Less : Provision for doubtful Advance	(31.98)	(31.98)
	<u>93.21</u>	<u>93.21</u>
Advances recoverable in cash/ kind or value to be received		
Related party (refer note 37)	93.63	112.02
Others	50.34	23.64
	<u>143.97</u>	<u>135.66</u>
Prepaid expenses	19.29	12.32
<b>Total</b>	<u><b>256.47</b></u>	<u><b>241.19</b></u>

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**Modi Rubber Limited**  
**Notes to financial statements for the year ended March 31, 2021**

**17. Share capital**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Equity share capital</b>		
The Company has two class of shares i.e. Equity Shares having a par value of Rs.10 per share and Preference shares having a par value of Rs.100 per share.		
<b>Authorised shares</b>		
50,000,000 Equity shares of par value Rs.10 each (50,000,000 Equity shares as at March 31, 2020)	5,000.00	5,000.00
200,000 11% Redeemable Cumulative Preference shares of par value Rs. 100 each (200,000 Preference shares as at March 31, 2020)	200.00	200.00
	<u>5,200.00</u>	<u>5,200.00</u>
<b>Issued, subscribed and fully paid up shares</b>		
25,040,532 Equity shares of par value Rs.10 each (25,040,532 shares as at March 31, 2020)	2,504.05	2,504.05
	<u>2,504.05</u>	<u>2,504.05</u>

a) **Movements in equity share capital:**

During the year, the Company has neither issued nor bought back any shares.

b) **Terms and rights attached to equity shares:**

*Voting*

Each holder of equity share is entitled to one vote per share held.

*Dividends*

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed.

*Liquidation*

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

- c) During the last five financial years, no class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back.
- d) Shares held by the shareholders holding more than 5% shares in the Company.

Name of the share holders	As at March 31, 2021		As at March 31, 2020	
	No. of shares	%age holding	No. of shares	%age holding
<b>Equity share of Rs. 10 each, fully paid</b>				
Mod Fashions and Securities Private Limited	12,010,267	47.96%	12,010,267	47.96%
Witta International Inc	2,554,078	10.20%	2,554,078	10.20%
Kinborough Limited	5,739,451	22.92%	5,739,451	22.92%

**Modi Rubber Limited**  
**Notes to financial statements for the year ended March 31, 2021**

**18. Other Equity**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Capital reserve	19.26	19.26
Security premium reserve	5782.32	5782.32
Retained earnings	10,421.83	8,512.08
<b>Total</b>	<b>16,223.41</b>	<b>14,313.66</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Retained earnings</b>		
Opening balance	8,512.08	8,157.08
IndAS 116 transition adjustment (Refer note 36)	-	26.08
Add: Profit after tax for the year as per Statement of Profit and Loss	770.86	564.55
	<b>9,282.94</b>	8,747.71
Items of other comprehensive income recognised directly in retained earnings:		
- Fair valuation impact on quoted equity investment, net of tax	1,115.57	(235.01)
- Remeasurements of post-employment benefit obligation, net of tax	23.32	(0.62)
<b>Closing balance (a+b)</b>	<b>10,421.83</b>	<b>8,512.08</b>

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**Modi Rubber Limited**  
**Notes to financial statements for the year ended March 31, 2021**

**19. Non Current Borrowings**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Borrowings		
Term loans from others- secured (refer footnote (a))	41.74	84.48
Inter corporate deposits- unsecured (refer footnote (b))	250.00	250.00
Total non-current borrowing	291.74	334.48
Less: Current portion of non-current borrowings	(30.23)	(42.74)
<b>Non-current borrowing net of current portion</b>	<b>261.51</b>	<b>291.74</b>

Includes:

(a) Secured by hypothecation of vehicles:

i) Term Loan of Rs. 11.63 lacs (March 31, 2020: Rs 37.30 lacs) repayable in equated monthly instalment of Rs 2.39 lacs each (including interest). Final instalment due in August 2021.

ii) Term Loan of Rs. 30.11 lacs (March 31, 2020: Rs 47.18 lacs) repayable in equated monthly instalment of Rs 1.71 lacs each (including interest). Final instalment due in October 2022.

(b) Rs. 250 lacs (March 31, 2020: Rs. 250 lacs) payable @ 50% of Rs.500 lacs to M/s Morgan Securities & Credit Pvt.Ltd.as per BIFR SS-08

**20. Other Non Current Financial Liabilities**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Security deposits*	16.61	15.83
Lease liability (Refer note 36)	127.23	142.08
<b>Total</b>	<b>143.84</b>	<b>157.91</b>

\*Deposits received are payable on successful completion of terms and conditions attached to deposits.

**21. Other Non-Current Liabilities**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Other payables:		
Deferred rent	4.31	5.28
<b>Total</b>	<b>4.31</b>	<b>5.28</b>

**22. Trade Payables**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>For goods and services</b>		
Dues to micro, small and medium enterprises (refer footnote ii)		
Dues to others	136.62	136.62
	<b>136.62</b>	<b>136.62</b>

(i) The Company's exposure to liquidity risk related to trade payables is disclosed in note 33.1

(ii) The Company has requested all its vendors to confirm their status under Micro, Small and Medium Enterprises Development Act, 2006 ('Act'). Based on the confirmations received, there are no amounts due to any micro or small enterprise under the MSMED Act, 2006. Further, the Company's liability towards any interest for delayed payments, if any under the provisions of the Act is not likely to be material.

(iii) Trade payables are non interest bearing and are normally settled in normal trade cycle.

(iv) "Due to others" include Rs. 136.62 lacs (March 31, 2020: Rs. 136.62 lacs) i.e. 20% of Rs. 683.10 lacs as per settlement terms defined in BIFR SS08 towards lease rent payable to M/s Modi Exports Processors Ltd.(MEPL) for the period January, 2002 to September, 2007. Further no liability towards lease rent has been provided after September, 2007 since the premises are sealed by the Official Liquidator of MEPL.

**Modi Rubber Limited**  
**Notes to financial statements for the year ended March 31, 2021**

**23. Other Current Financial Liabilities**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term Loans	30.23	42.74
Other payables:		
Employee related payables*	247.80	250.02
Payable for expenses	418.50	478.78
Lease liability (Refer note 36)	14.85	14.60
Security deposits	-	47.05
<b>Total</b>	<b>711.38</b>	<b>833.19</b>

\* Include Rs. 247.80 lacs (March 31, 2020: 249.05 lacs) representing unclaimed liability of some workers towards full and final settlement for all their past dues as per BIFR order.

The Company's exposure to liquidity risk related to payables is disclosed in note 33.1

**24. Other Current Liabilities**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Escrow account claims adjustable (Refer note 14 a)	-	483.55
Statutory dues*	1,333.50	1,347.85
Deferred rent	0.97	1.56
Provision for gratuity	-	5.03
<b>Total</b>	<b>1,334.47</b>	<b>1,837.99</b>

**\*Footnote:**

(a) include Rs. 1324.50 lacs (March 31, 2020: Rs 1339.52 lacs) which represents the sales tax liability of various State Authorities. The Company had made representations to the States Authorities for giving various relief and concessions in line with BIFR sanctioned scheme. In the opinion of the management, sales tax liability would be reduced as soon as representation of the Company will be heard by various States Authorities. Honourable Allahabad high court vide its order dated 31.07.2017 w.t no 914 of 2015 directed state authorities to provide relief to the company in accordance with the Rehabilitation scheme.

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**Modi Rubber Limited**  
**Notes to financial statements for the year ended March 31, 2021**

**25. Revenue From Operations**

Particulars	(Amount in lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Other operating revenues		
Rental income	263.34	430.67
Other income	37.83	82.68
<b>Total</b>	<b>301.17</b>	<b>513.35</b>

**26. Other Income**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on:		
Bank deposits & other bank balance*	782.28	111.08
Others	11.16	0.49
Tax refund	10.68	0.00
Security deposit at amortised cost	1.56	2.99
Dividend income	2,003.45	1765.00
	<b>2,809.13</b>	<b>1,879.56</b>
<b>Other non-operating income</b>		
Financial assets measured at fair value	162.53	219.45
Management service charges (refer note 37)	64.29	72.26
Net gain on sale of investment	33.24	24.54
Profit on sale of assets	1.96	0.00
Gain on foreign exchange fluctuation (net)	-	0.01
Liabilities written back	40.06	443.31
Miscellaneous income	9.61	30.06
	<b>311.69</b>	<b>789.63</b>
<b>Total</b>	<b>3,120.82</b>	<b>2,669.19</b>

\* includes interest income amounting to Rs 483.55 lacs (net of Rs 551.91 lacs adjusted against claims settled during earlier years) till 31st March 2020 which was disclosed under "other current liabilities" pursuant to legal opinion obtained by the company. (refer note 14(a), 24 and footnote 3 of Note 40)

**27. Employee Benefits Expense**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and other short term employees benefits	333.09	361.38
Contributions to provident and other funds	31.44	39.56
Staff welfare expenses	48.55	64.47
<b>Total</b>	<b>413.08</b>	<b>465.41</b>

**28. Finance Costs**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on term loan	6.48	8.24
Interest on statutory dues	0.11	0.58
Bank guarantee charges	35.36	26.00
Unwinding of discount on vendor liabilities	1.68	3.62
Interest on lease (refer note 36)	18.51	18.73
<b>Total</b>	<b>62.14</b>	<b>57.17</b>

**Modi Rubber Limited**  
**Notes to financial statements for the year ended March 31, 2021**  
**29. Other Expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Communication expenses	14.22	16.91
Travelling expenses	46.95	133.03
Legal and professional fees	360.75	413.62
Electricity & water	95.58	126.44
Power & fuel	6.13	9.44
Insurance premium	16.29	13.30
Rent expenses (refer note 36)	13.78	13.80
Rates and taxes	38.04	50.01
Security service charges	112.47	125.40
Guest house expenses	3.00	5.38
Office maintenance	31.10	26.83
Repairs & maintenance		
- Buildings	281.28	300.22
- Others	40.50	47.36
Payment to statutory auditors (excluding Goods and Service tax) :		
Audit fee	8.50	8.50
Tax audit fee	0.60	0.60
Other services	0.61	0.76
Reimbursement of expenses	-	1.08
Business promotion expenses	12.28	16.72
Donations	-	45.00
Allowance for bad and doubtful debts	56.86	20.00
Liability paid on settlement	-	20.59
Sundry balances written off	-	47.33
Fixed assets written off	-	3.48
Miscellaneous expenses	67.82	67.44
<b>Total</b>	<b>1,206.76</b>	<b>1,513.24</b>

**Modi Rubber Limited****Notes to financial statements for the year ended March 31, 2021****30. Disclosure as per Ind AS 33 on 'Earnings per Share'****Basic and diluted earnings per share**

	<u>March 31, 2021</u>	<u>March 31, 2020</u>
Basic and diluted earnings per share (refer footnote a & b)	3.08	2.25
Nominal value per share	10	10

**(a) Profit attributable to equity shareholders**

	<u>March 31, 2021</u>	<u>March 31, 2020</u>
Profit/ (Loss) for the year (in lacs)	770.86	564.55
Profit/ (Loss) attributable to equity shareholders	<u>770.86</u>	<u>564.55</u>

**(b) Weighted average number of equity shares**

	<u>March 31, 2021</u>	<u>March 31, 2020</u>
Opening balance of issued equity shares	25,040,532	25,040,532
Effect of shares issued during the year, if any	-	-
<b>Weighted average number of equity shares for Basic and Diluted EPS</b>	<u>25,040,532</u>	<u>25,040,532</u>

At present, the Company does not have any dilutive potential equity shares

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**Modi Rubber Limited**  
**Notes to financial statements for the year ended March 31, 2021**

**31. Disclosure as per Indian Accounting Standard - 12 on 'Income taxes'**

**(a) Income Tax Expense**

**i) Income tax recognised in profit or loss**

	(Amount in lacs)	
	March 31, 2021	March 31, 2020
<b>Current tax expense</b>		
Current year	154.77	-
Earlier year tax adjustment	(1.57)	101.07
	<u>153.20</u>	<u>101.07</u>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(200.58)	183.80
MAT credit written off	-	-
Reduction in tax rate	-	-
	<u>(200.58)</u>	<u>183.80</u>
<b>Total income tax expense</b>	<u>(47.38)</u>	<u>284.87</u>

**ii) Income tax recognised in other comprehensive income**

Particulars	(Amount in lacs)		
	March 31, 2021		
	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	31.51	8.19	23.32
- Investment in equity instruments measured at fair value	1,245.05	129.48	1,115.57
	<u>1,276.56</u>	<u>137.67</u>	<u>1,138.89</u>
	March 31, 2020		
	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	(0.84)	(0.22)	(0.62)
- Investment in equity instruments measured at fair value	(262.29)	(27.28)	(235.01)
	<u>(263.13)</u>	<u>(27.50)</u>	<u>(235.63)</u>

**iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate**

	(Amount in lacs)	
	March 31, 2021	March 31, 2020
<b>Profit before tax</b>	1,472.02	849.42
Tax using the Company's domestic tax rate of 26% (March 31, 2020 - 26%)	382.73	220.85
Tax effect of:		
Disallowance u/s 8D	-	-
Expenses not deductible for income tax purpose	209.58	13.35
Dividend on shares exempt u/s 10(34)	(520.90)	(458.90)
Tax rate difference	99.53	263.67
Earlier year tax adjustment	(1.57)	101.07
Others	(16.17)	(38.97)
<b>At the effective income tax rate of 10.41% (March 31, 2020: 11.90%)</b>	<u>153.20</u>	<u>101.07</u>

**Modi Rubber Limited****Notes to financial statements for the year ended March 31, 2021****32. Fair Value Measurements****(a) Financial instruments by category**

All the financial assets and liabilities viz. deposits for utilities, trade receivables, cash and cash equivalents, other bank balances, interest receivable, recoverable from employees, trade payables, employee related liabilities and payable for expenses, are measured at amortised cost.

**(b) Fair value hierarchy**

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

Level 1: The fair value of financial instruments that are quoted in active markets are determined on the basis of quoted price for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques based on observable market data.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). Fair value of investment in unquoted equity shares is determined using discounted cash flow technique.

There are no transfers between different fair value hierarchy levels in 2019-20, 2020-21.

(Amount in lacs)

Liabilities which are measured at amortised cost for which fair values are disclosed	Particulars	March 31, 2021	March 31, 2020
<b>Financial liabilities:</b>			
Security deposits received	Carrying value	22.81	48.37
Security deposits received *	Fair value	16.61	40.50

\*The fair values for security deposits received from employees and security deposit for utilities were calculated based on cash flows discounted using a current fixed deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(Amount in lacs)

Financial Assets at fair value through profit or loss	Input Used	Particulars	March 31, 2021	March 31, 2020
<b>Financial assets:</b>				
Investment in mutual funds		Carrying value	4,921.90	3,645.41
Investment in mutual funds	Level 1	Fair value	5,210.60	3,817.10

(Amount in lacs)

Financial Assets at fair value through other comprehensive income	Input Used	Particulars	March 31, 2021	March 31, 2020
<b>Financial assets:</b>				
Investment in equity instruments		Carrying value	87.80	87.80
Investment in equity instruments	Level 1	Fair value	2,349.17	1,104.13

**Modi Rubber Limited**  
**Notes to financial statements for the year ended March 31, 2021**

**33.1 Financial Risk Management**

In the course of its business, the Company is exposed to a number of financial risks: liquidity risk, credit risk, market risk. This note presents the Company's objectives, policies and processes for managing its financial risk and capital.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

**Investments**

The Company has made investments in tax free long term bonds, deposit with banks, mutual funds etc. Funds are invested in accordance with the Company's established investment policy that includes parameters of safety, liquidity and post tax returns.

**Trade receivables**

The activities of the company primarily include rental income. The invoices raised to customers immediately falls due for payment after the credit period allowed to customers. Refer Note 37 on disclosure on related party transactions with respect to amount outstanding as at reporting date.

Credit risk arising from trade receivables is managed in accordance with the Management control and approval procedure. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc.

**Other financial assets**

Other financial assets include employee loans, security deposits etc. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default. The Company's maximum exposure to credit risk for each of the above categories of financial assets is their carrying values as at the reporting dates.

**(i) Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	(Amount in Lacs)	
	March 31, 2021	March 31, 2020
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Long term security deposits	16.23	16.03
Other long term financial assets	1,337.52	4,100.17
Cash and cash equivalents	97.11	602.79
Short term loans & advances	138.03	41.10
Other short term financial assets	3,034.36	3.32
	<b>4,623.25</b>	<b>4,763.41</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade receivables	79.03	113.67
	<b>79.03</b>	<b>113.67</b>

Based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of any asset as the amount are insignificant.

**Ageing analysis of trade receivables**

The ageing analysis of the trade receivables is as below:

Ageing as at March 31, 2021	Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	360-720 days past due	More than 720 days past due	(Amount in Lacs)
								Total
Gross carrying amount	-	72.46	32.51	6.70	10.42	27.81	397.24	<b>547.14</b>
<b>Ageing as at March 31, 2020</b>								
Gross carrying amount	-	112.21	2.47	3.43	13.54	5.17	388.08	<b>524.91</b>

**Modi Rubber Limited**  
**Notes to financial statements for the year ended March 31, 2021**

**33.1 Financial Risk Management (contd...)**

**Liquidity risk**

Liquidity risk refers to risk that the Company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled in cash or other financial assets. The Company regularly monitors the rolling forecasts to ensure that sufficient liquidity is maintained on an ongoing basis to meet operational needs. The Company manages the liquidity risk by planning the investments in a manner such that the desired quantum of funds could be made available to meet any of the business requirements within a reasonable period of time. In addition, the Company also maintains flexibility in arranging the funds by maintaining committed credit lines with various banks to meet the obligations.

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

**March 31, 2021** **(Amount in Lacs)**

Contractual maturities of financial liabilities	Fair value	Contractual cash flows		
		Less than one year	Beyond one year	Total
<b>Non-derivative financial liabilities</b>				
Borrowings	291.74	30.23	261.51	291.74
Security deposits received	16.61	-	16.61	16.61
Lease liability	142.08	14.85	127.23	142.08
Employee related liabilities	247.80	247.80	-	247.80
Payable for expenses	418.50	418.50	-	418.50
Trade payables	136.62	136.62	-	136.62
	<b>1,253.35</b>	<b>848.00</b>	<b>405.35</b>	<b>1,253.35</b>

**March 31, 2020** **(Amount in Lacs)**

Contractual maturities of financial liabilities	Fair value	Contractual cash flows		
		Less than one year	Beyond one year	Total
<b>Non-derivative financial liabilities</b>				
Borrowings	334.48	42.74	291.74	334.48
Security deposits received	15.83	-	15.83	15.83
Employee related liabilities	250.02	250.02	-	250.02
Payable for expenses	478.78	478.78	-	478.78
Trade payables	136.62	136.62	-	136.62
	<b>1,372.41</b>	<b>922.76</b>	<b>449.65</b>	<b>1,372.41</b>

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### 33.1 Financial Risk Management (contd...)

#### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

#### Interest Rate Risk

Interest rate risk refers to risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates. The Company is not exposed to any significant interest rate risk as its investments are primarily in fixed rate instruments. Also, there are no significant borrowings as at the balance sheet date.

#### Price Risk

Price risk refers to risk that the fair value of a financial instrument may fluctuate because of the change in the market price. The Company is exposed to the price risk mainly from investment in mutual funds and investment in equity instruments. Investment in mutual funds are made primarily in units of liquid funds and are not exposed to significant price risk.

#### Foreign Currency Risk

Foreign currency risk refers to risk that the fair value of future cash flows of an exposure may fluctuate due to change in the foreign exchange rates. The Company is not exposed to foreign currency risk as it is not having any transactions in foreign currency.

### 34. Capital Management

The Company manages its capital to ensure that it will be able to continue as a Going Concern while maximising the return to stakeholders. The Company has minimum dependence on external debts and operates mainly through internal accruals. Capital includes equity share capital and other. The Company determines the amount of capital required on the basis of annual operating plans and other strategic investment plans.

### 35. Corporate Social Responsibility ('CSR')

- (i) Gross amount required to be spent by the company during the year Rs Nil (March 31, 2020: Rs. Nil)  
(ii) Amount Spent during the:

	2020-21			2019-20		
	Paid	Paid and yet to be paid	Total	Paid	Paid and yet to be paid	Total
Construction /acquisition of any asset	-	-	-	-	-	-
On purpose other than (i) above	-	-	-	-	-	-

### 36. Leases

The company has adopted modified approach as per para C8(b)(ii) of Ind AS 116 - Leases to its leases, effective from annual reporting period beginning 1st April 2019. This has resulted in recognizing a right of use assets (an amount equal to lease liability, adjusted by the prepaid lease rent) of Rs.171.08 lacs as at 1st April 2019.

The details of the right-of-use assets held by the Company is as follows:

S.no	Description of Asset	Additional for the year ended 31st March, 2020	Addition during the year	Gross Block as at 31st March, 2021	Depreciation charged till 31st March, 2020	Depreciation for the year	Net Carrying value as at 31st March, 2020	Net Carrying value as at 31st March, 2021
1	Buildings	171.07	-	171.07	22.09	22.10	148.98	126.88

- Interest on lease liabilities is Rs 18.51 lacs and Rs 18.73 lacs for the years ended March 31, 2021 and 2020, respectively.
- The Company incurred Rs 13.78 lacs and Rs 13.80 lacs for the years ended March 31, 2021 and 2020, respectively, towards expenses relating to short-term leases and leases of low-value assets.
- The total cash outflow for leases is Rs 46.90 lacs and Rs 46.92 lacs for the years ended March 31, 2021 and 2020, respectively, including cash outflow for short-term and low-value leases.



## Modi Rubber Limited

## Notes to financial statements for the year ended March 31, 2021

## 37 Related Parties Disclosures in accordance with Indian Accounting Standard (Ind AS) 24 of The Institute of Chartered Accountants of India.

A) Subsidiary Companies	% Holdings	% Holdings
i) Modistone Ltd. (in liquidation)	55.32	55.32
Official Liquidator has taken possession of the Company w.e.f. 25.07.2002- the date of appointment of Official Liquidator by		
ii) Superior Investment (India) Ltd.	100	100
iii) Spin Investment (India) Ltd	100	100
<b>B) Joint Venture</b>		
Gujarat Guardian Ltd.	21.24	21.24
Asahi Modi Materials Pvt. Ltd.	49.00	49.00
Modi Marco Aldany Pvt Ltd	50.00	50.00
<b>C) Associate</b>		
Vinura Beverages Pvt. Ltd. (An Associate of a wholly owned subsidiary)		
<b>D) Key Management Personnel:</b>		
Mr. Alok Kumar Modi-Managing Director		
Miss Piya Modi-Whole Time Director		
Mr. Sanjeev Kumar Bajpai-Company Secretary		
Mr. Kamal Gupta-Chief Financial Officer (CFO)		
<b>E) Relatives of Key Management Personnel</b>		
Mr. Vinay Kumar Modi (Father of Mr. Alok Kumar Modi)		
Mrs. Chander Bala Modi (Mother of Mr. Alok Kumar Modi)		
Mrs. Archana Singhania (Sister of Mr. Alok Kumar Modi)		
Mrs. Ritika Modi (Wife of Mr. Alok Kumar Modi)		
<b>F) Enterprises in which Key Management Personnel and relatives of Key Management Personnel has significant influence</b>		
Leaf Investment Pvt. Ltd.		
Mod Fashions and Securities Pvt. Ltd		
Uniglobe Mod Travels Pvt. Ltd		
Uniglobe Travel (South Asia) Pvt. Ltd		
Maple Bear Education Pvt. Ltd.		
<b>G) Transaction with Related Parties</b>		

The following transactions was carried out with related parties in the ordinary course of business:

(Amount in Lacs)

S.No.	Particulars	Subsidiaries		Joint Controlled Entities		Associates		Enterprise under significant influence of Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
A)	<b>Expenses recovered</b>														
	Spin Investment (India) Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Superior Investment (India) Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gujarat Guardian Ltd	-	-	-	2.58	-	-	-	-	-	-	-	-	-	2.58
	Modi Marco Aldany Pvt Ltd	-	-	-	3.22	-	-	-	-	-	-	-	-	-	3.22
	Mod Fashions and Securities Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Uniglobe Mod Travels Pvt. Ltd.	-	-	-	-	-	-	-	12.81	-	-	-	-	-	12.81
	Maple Bear Education Pvt. Ltd.	-	-	-	-	-	-	-	11.39	-	-	-	-	-	11.39
	Uniglobe Travel (South Asia) Pvt. Ltd.	-	-	-	-	-	-	-	3.01	-	-	-	-	-	3.01
	<b>Sub-Total</b>	-	-	-	<b>5.80</b>	-	-	-	<b>27.21</b>	-	-	-	-	-	<b>33.01</b>
B)	<b>Expenses incurred</b>														
	Asahi Modi Materials Pvt. Ltd.	-	-	9.09	11.25	-	-	-	-	-	-	-	-	9.09	11.25
	Mod Fashions and Securities Pvt. Ltd.	-	-	-	-	-	-	15.96	15.96	-	-	-	-	15.96	15.96
	Uniglobe Mod Travels Pvt. Ltd.	-	-	-	-	-	-	2.74	80.13	-	-	-	-	2.74	80.13
	<b>Sub-Total</b>	-	-	<b>9.09</b>	<b>11.25</b>	-	-	<b>18.70</b>	<b>96.09</b>	-	-	-	-	<b>27.79</b>	<b>107.34</b>

(Amount in Lacs)

S.No.	Particulars	Subsidiaries		Joint Controlled Entities		Associates		Enterprise under significant influence of Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
C)	<b>Rent Income</b>														
	Spin Investment (India) Ltd.	12.00	12.00	-	-	-	-	-	-	-	-	-	-	12.00	12.00
	Superior Investment (India) Ltd.	12.00	12.00	-	-	-	-	-	-	-	-	-	-	12.00	12.00
	Gujarat Guardian Ltd	-	-	-	4.29	-	-	-	-	-	-	-	-	-	4.29
	Modi Marco Aldany Pvt Ltd	-	-	-	9.00	-	-	-	-	-	-	-	-	-	9.00
	Maple Bear Education Pvt. Ltd.	-	-	-	-	-	-	38.10	38.46	-	-	-	-	38.10	38.46
	Uniglobe Travel (South Asia) Pvt. Ltd.	-	-	-	-	-	-	10.80	10.80	-	-	-	-	10.80	10.80
	Uniglobe Mod Travels Pvt. Ltd.	-	-	-	-	-	-	8.18	-	-	-	-	-	8.18	-
	<b>Sub-Total</b>	<b>24.00</b>	<b>24.00</b>	<b>-</b>	<b>13.29</b>	<b>-</b>	<b>-</b>	<b>57.08</b>	<b>49.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81.08</b>	<b>86.55</b>
D)	<b>Management Service Charges Income</b>														
	Spin Investment (India) Ltd.	12.00	12.00	-	-	-	-	-	-	-	-	-	-	12.00	12.00
	Superior Investment (India) Ltd.	12.00	12.00	-	-	-	-	-	-	-	-	-	-	12.00	12.00
	Asahi Modi Materials Pvt. Ltd.	-	-	40.29	48.26	-	-	-	-	-	-	-	-	40.29	48.26
	<b>Sub-Total</b>	<b>24.00</b>	<b>24.00</b>	<b>40.29</b>	<b>48.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64.29</b>	<b>72.26</b>
E)	<b>Dividend received</b>														
	Gujarat Guardian Ltd	-	-	1,967.65	1,734.20	-	-	-	-	-	-	-	-	1,967.65	1,734.20
F)	<b>Investment in Joint Venture</b>														
	Modi Marco Aldany Pvt Ltd	-	-	-	227.41	-	-	-	-	-	-	-	-	-	227.41
G)	<b>Loan and advances given</b>														
	Modi Marco Aldany Pvt Ltd	-	-	105.00	58.00	-	-	-	-	-	-	-	-	105.00	58.00
H)	<b>Loan and advances received back</b>														
	Modi Marco Aldany Pvt Ltd	-	-	9.00	40.00	-	-	-	-	-	-	-	-	9.00	40.00
I)	<b>Interest income</b>														
	Modi Marco Aldany Pvt Ltd	-	-	11.47	0.49	-	-	-	-	-	-	-	-	11.47	0.49
J)	<b>Remuneration paid</b>														
		-	-	-	-	-	-	-	-	139.13	131.96	-	-	139.13	131.96
K)	<b>Sitting fee-Directors</b>														
		-	-	-	-	-	-	-	-	2.10	2.05	-	-	2.10	2.05
L)	<b>Receivable at the year end</b>														
	Spin Investment (India) Ltd.	-	25.92	-	-	-	-	-	-	-	-	-	-	-	25.92
	Superior Investment (India) Ltd.	-	25.92	-	-	-	-	-	-	-	-	-	-	-	25.92
	Gujarat Guardian Ltd	-	-	-	1.36	-	-	-	-	-	-	-	-	-	1.36
	Asahi Modi Materials Pvt. Ltd.	-	-	39.70	22.89	-	-	-	-	-	-	-	-	39.70	22.89
	Modi Marco Aldany Pvt Ltd	-	-	11.99	30.26	-	-	-	-	-	-	-	-	11.99	30.26
	Vinura Beverages Pvt. Ltd.	-	-	-	-	2.26	2.26	-	-	-	-	-	-	2.26	2.26
	Uniglobe Mod Travels Pvt. Ltd.	-	-	-	-	-	-	76.33	89.13	-	-	-	-	76.33	89.13
	Maple Bear Education Pvt. Ltd.	-	-	-	-	-	-	54.21	12.11	-	-	-	-	54.21	12.11
	Uniglobe Travel (South Asia) Pvt. Ltd.	-	-	-	-	-	-	241.26	229.35	-	-	-	-	241.26	229.35
	Mr. Alok Kumar Modi	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Miss Piya Modi	-	-	-	-	-	-	-	-	0.00	-	-	-	0.00	-
	<b>Sub-Total</b>	<b>-</b>	<b>51.84</b>	<b>51.69</b>	<b>54.51</b>	<b>2.26</b>	<b>2.26</b>	<b>371.81</b>	<b>330.60</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>425.77</b>	<b>439.21</b>
M)	<b>Payable at the quarter end</b>														
	Mod Fashions and Securities Pvt. Ltd.	-	-	-	-	-	-	-	5.75	-	-	-	-	-	5.75
	Mr. Alok Kumar Modi	-	-	-	-	-	-	-	-	0.20	0.00	-	-	0.20	0.00
	Miss Piya Modi	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-
	<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.75</b>	<b>0.20</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>0.20</b>	<b>5.75</b>

\* Only material transactions are covered

## Modi Rubber Limited

## Notes to financial statements for the year ended March 31, 2021

## 38 Gratuity and other post-employment benefit plans

Contribution for Employees Benefit:

**Defined Contribution Plans**

Provident Fund

State Defined Contribution Plans

- Employees Pension Scheme 1995

i **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 concerned Provident Fund Authorities. The company has no liability to Fund the shortfall in the interest over the statutory rate declared by the Government.

The Company has recognized the following amounts in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2021

Particulars	(Amount in Lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Contribution to provident fund	20.54	21.37
Contribution to employee pension	2.94	2.96

ii **Defined benefit plan( 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. The present value of Defined Benefit Obligation is calculated annually by an independent actuary using the projected unit credit method.

Particulars	(Amount in Lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Funded Status of the Plan</b>		
Present value of unfunded obligations	-	-
Present value of funded obligations	212.57	224.53
Fair value of plan assets	235.33	219.50
<b>Net Liability (Asset)</b>	<b>(22.76)</b>	5.03

Particulars	(Amount in Lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A Statement of Profit and Loss</b>		
Current service cost	8.69	7.41
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	0.07	(0.44)
<b>Total included in 'Employee Benefit Expense'</b>	<b>8.76</b>	6.97
Expenses deducted from the fund	-	-
<b>Total Charge to P&amp;L</b>	<b>8.76</b>	6.97
<b>Other Comprehensive Income</b>		
Due to Change in financial assumptions	3.40	4.09
Due to Change in demographic assumption	-	0.19
Due to experience adjustments	(30.08)	2.08
Return on plan assets excluding amounts included in interest income	(4.83)	(5.53)
<b>Amounts recognized in Other Comprehensive Income</b>	<b>(31.51)</b>	0.83

Particulars	(Amount in Lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>B Reconciliation of Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	224.53	217.56
Current service cost	8.68	7.41
Interest cost	10.15	12.11
Actuarial loss / (gain) due to change in financial assumptions	3.40	4.09
Actuarial loss / (gain) due to change in demographic assumptions	-	0.19
Actuarial loss / (gain) due to experience assumptions	(30.08)	2.08
Past Service Cost	-	-
Benefits Paid	(4.11)	(18.91)
Benefits Payable	-	-
<b>Closing Defined Benefit Obligation</b>	<b>212.57</b>	224.53

## Modi Rubber Limited

## Notes to financial statements for the year ended March 31, 2021

(Amount in Lacs)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>C Reconciliation of Plan Assets</b>		
Opening Value of Plan Assets	219.50	220.34
Interest Income	10.08	12.54
Return on plan assets excluding amounts included in interest income	4.84	5.53
Contributions by employer	5.02	-
Benefits paid	(4.11)	(18.91)
<b>Closing Value of Plan Assets</b>	<b>235.33</b>	<b>219.50</b>

(Amount in Lacs)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>D Principle Actuarial Assumptions</b>		
Discount Rate	5.60%	5.45%
Salary Growth Rate	7.00%	7.00%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Rate of return on Plan Assets	-	-

(Amount in Lacs)		
Particulars	Cashflows	Distribution (%)
<b>E Expected cash flows based on past service liability</b>		
The following payments are maturity profile of Defined Benefit Obligation:		
2022	36.37	31.00%
2023	31.55	26.90%
2024	1.17	1.00%
2025	1.18	1.00%
2026	1.02	0.90%
2027-2031	20.83	17.70%

(Amount in Lacs)		
Particulars	Amount of DBO	Change in DBO (%)
<b>F Sensitivity to key assumptions</b>		
Discount rate varied by 0.5%		
0.50%	211.03	-0.73%
-0.50%	214.22	0.78%
Salary growth rate varied by 0.5%		
0.50%	213.39	0.38%
-0.50%	211.80	-0.37%
Withdrawal rate varied by 0.5%		
W.R * 110%	212.80	0.10%
W.R * 90%	212.31	-0.13%

**A description of methods used for sensitivity analysis and Limitations:**

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

(Amount in Lacs)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>39 Expenditure in foreign currency:-</b>		
Travelling expenses	25.30	29.37

(Amount in Lacs)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>40 Contingent Liabilities</b>		
Guarantees/ Bonds (unconfirmed)	1,300.00	1,300.00
Excise /Customs /DGFT matters	907.82	907.82
Unsecured creditors	531.87	531.87
Workers and employees	6,644.49	6,644.49
Income tax act	1,290.00	1,290.00
Others	3,136.02	3,136.02
<b>TOTAL</b>	<b>13,810.20</b>	<b>13,810.20</b>

**Modi Rubber Limited****Notes to financial statements for the year ended March 31, 2021**

**Note 1** - In view of large number of cases, it is not practicable to disclose individual details. Above amounts are affected by numerous uncertainties and timing of economic benefit outflow will depend upon timing of decision of these cases.

**Note 2** - On the basis of current status of individual case and as per legal advise obtained by the Company, wherever applicable. The Company is confident of winning the above cases and is of the view that no further provision required in respect of these cases.

**Note 3** - The above amount includes contingent liability amounting to Rs 8,335.97 lacs which may arise pursuant to Share Purchase Agreement dated July 15, 2011, entered between the Company & Continental India Limited. (refer footnote (a) to note 14 of the financial statements).

- 41** Post sanction of Rehabilitation Scheme under the provisions of SICA by BIFR on 21.04.2008, the Company had given full effect of the scheme from cut off date in the books of accounts assuming that the relief and concessions as given to the company in the scheme would be accepted by all the concerned parties/creditors.
- 42** BIFR vide its order dated 23.02.2010 discharged the company from the purview of SICA/ BIFR upon turning net worth positive as at 31.03.2009, with the direction that the unimplemented portion of rehabilitation scheme (SS08) for the unexpired period of the Scheme would be implemented by the concerned agencies and their implementation would be monitored by the company. Some of the authorities/parties have not accepted terms of settlement and relief & concessions as provided in SS08. The Company has filed a status report on the unimplemented portion of the Rehabilitation Scheme as at September 30th, 2016 with BIFR on 20/10/2016. Further Government of India (GOI) vide its Gazette notification dated 25/11/2016 repealed SICA w.e.f 01/12/2016 by passing the Sick Industrial Companies (Special provisions) Repeal Act, 2003. All proceedings pending in BIFR/ AAIFR would now stand abated and a time period of 180 days have been given to all applicants to approach National Company Law Tribunal (NCLT) and to get appropriate relief under Insolvency and Bankruptcy Code, 2016. Further all schemes sanctioned by BIFR are saved and would continue to be enforceable by NCLT.
- 43** Land & Building at Modi Tyre Factory (MTF), Modinagar is on perpetual lease taken from Modi Export Processors Ltd. (MEPL) which has been liquidated by the order of Hon'ble Allahabad High Court. Pursuant to Allahabad High Court Order possession of the MTF is with the Official Liquidator of MEPL. Company has taken appropriate legal recourse for getting possession back of MTF from Official Liquidator for carrying out industrial activities in terms of BIFR Order dated 21.04.2008. After possession, Company shall take necessary steps as required.
- 44** The company has made investments of Rs.1079.35 lacs and has given loans and advances of Rs.124.60 lacs (inclusive of interest) aggregating to Rs.1203.95 lacs (hereinafter together referred as "Exposure") in "Modi Marco Aldany Private Limited" and is joint venture of the Company. During the year, the business of the joint venture has significantly impacted due to impact of COVID-19 resulting in cash losses and shutting down of multiple operational stores. Given effect to same and in view of the prudence concept, the company has provided provision for impairment in the value of investment amounting to Rs 748.54 lacs to the extent of its share in net accumulated losses of joint venture at 31st March 2021.
- 45** In accordance with IND AS 108 - Operating Segment used to present the segment information are identified on the basis of informal report used by the Company to allocate resource to the segment and assess their performance. The Board of Directors of the Company is collectively Chief Operating Decision Maker (CODM).The Company is engaged in Renting of immovable property which in the context of Ind AS 108 "Operating Segment" is considered as the only segment. The Company's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.
- 46** Balances of certain payables for expenses, employees related payables and loans & advance are subject to confirmation / reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation / adjustments.
- 47** The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company has, at the date of approval of these financial statements, used internal and external sources of information and economic forecasts and expects that the carrying amount of these assets will be recovered.
- 48** Previous year figures have been regrouped/ reclassified wherever necessary, to conform to this year's classification

The accompanying notes 1 to 48 form an integral part of these financial statements.

As per our report of even date  
**For Suresh Surana & Associates LLP**  
 (Firm Registration No. 121750W/W-100010)  
 Chartered Accountants

**Ravinder Pal Singh**  
 Partner  
 Membership No.: 090988

Place : New Delhi  
 Date : 30th June 2021

For and on behalf of the Board of Directors of  
**Modi Rubber Limited**

Alok Kumar Modi (DIN: 00174374)  
**Managing Director**

Piya Modi (DIN: 03623417)  
**Director**

Amrit Kapur (DIN: 00508710)  
**Director**

Place : New Delhi/ Ghaziabad/ Dubai

S.K. Bajpai (ACS: 10110)  
 Head- Legal & Company  
 Secretary

Kamal Gupta  
 Chief Financial Officer

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
Modi Rubber Limited

### REPORT ON THE AUDIT OF THE IND AS CONSOLIDATED FINANCIAL STATEMENTS

#### Qualified Opinion

We have audited the accompanying consolidated Ind AS financial statements of Modi Rubber Limited ("the Holding Company") and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture & associates which comprise the consolidated balance Sheet as at March 31, 2021, the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of Changes in Equity and the consolidated statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of joint ventures and associates, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid Ind AS consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read relevant rules issued thereunder and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures and associate as at March 31, 2021, the consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Qualified Opinion

Note 46 to the consolidated financial statements which describe non-provision for impairment/diminution in the carrying value of investments amounting to Rs 2,510.82 lacs as stated in the said note. In the opinion of the management, the diminution does not represent inherent loss in the value thereof. In the absence of appropriate evidence made available to us supporting management's view, we are unable to comment on the recoverability/impairment (if any) of the said amount.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS consolidated financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Ind AS consolidated financial statements.

## Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 48 to the financial statements regarding default made by subsidiary company "Superior Investment Limited" in filing the annual returns with registrar of the company for the year ended 31st March 2019 and 31st March 2020 as stated in said notes.

Our opinion is not modified in respect of the above matters.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

### Description of Key Audit Matters

The Key Audit Matters	How our audit addressed the key audit matter
<b>Evaluation of contingencies &amp; uncertain tax positions</b>	
<p>Prior to closure of operations by illegal strikes of the workers in August 2001, and thereafter sanction of Rehabilitation Scheme under the provisions of SICA by BIFR on 21.04.2008 (refer note 42 &amp; 43 of the Ind AS consolidated financial statements), the Company operated in multiple jurisdictions and subjected to periodic challenges by local tax authorities, income tax authorities, labour law authorities &amp; other statutory authorities on a range of various tax &amp; other matters during the normal course of business. These involve significant management judgment to determine the possible outcome of the uncertain tax positions &amp; other contingencies consequently having an impact on related accounting and disclosures in the standalone financial statements.</p> <p>Refer Note 2(m), Note 25(a), Note 41 &amp; Note 52 to the Ind AS consolidated financial statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of key contingencies &amp; uncertain tax positions and ;</li> <li>• We along with our internal legal experts -               <ul style="list-style-type: none"> <li>➢ Read and analysed select key correspondences, external legal opinions / consultations by management for key contingencies &amp; uncertain tax positions;</li> <li>➢ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and</li> </ul> </li> </ul> <p>Assessed managements estimate of the possible outcome of the disputed cases.</p>

## Other Information

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Holding Company Board's Report including Annexures to Board's Report, Performance Review and Corporate Governance, but does not include the Ind AS consolidated financial statements and our auditor's report thereon.

Our opinion on the Ind AS consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the Ind AS consolidated financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint ventures and associate in other accounting principles accordance with the Ind AS and generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Ind AS consolidated financial statements by the directors of the holding company, as aforesaid.

In preparing the Ind AS consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group, its joint venture & associates are responsible for overseeing the financial reporting process of each entity.

## **Auditor's Responsibilities for the Audit of the Ind AS consolidated financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS consolidated financial statements or, if



such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS consolidated financial statements, including the disclosures, and whether the Ind AS consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the Ind AS consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matters**

a) The Ind AS consolidated financial statements also include the Group's share of net profit of Rs. 1162.54 lacs including other comprehensive income in respect of 3 joint venture and Group's share of Net Loss of Rs. 30.36 lacs including other comprehensive income in respect of 1 associate for the year ended 31 March 2021, as considered in the Ind AS consolidated financial statements. These financial statements and other financial information are unaudited and has been furnished to us by the Management and our opinion on the Ind AS consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint ventures and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture and associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done and the financial statements and other financial information certified by the Management..

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant

books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

- d) Except for the effect of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.
- e) The matter described in the Basis for Qualified Opinion and Emphasis of matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group's companies and its joint ventures and associate incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, joint venture and associate incorporated in India and operating effectiveness of such controls, referred to in our separate Report in "Annexure A";.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Ind AS consolidated financial statements disclose the impact of pending litigations on Ind AS consolidated financial position of the Group & its joint ventures & its associate. (Refer Note No. 41 and 52 of the financial Statements)
  - ii. The Group & its joint ventures and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.
  - iii. There is no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, its joint venture and its associate incorporated in India during the year ended 31 March 2021.

FOR SURESH SURANA & ASSOCIATES LLP  
Chartered Accountants  
Firm's Registration No. 121750 W / W-100010

(Ravinder Pal Singh)  
PARTNER  
Membership No. 090988  
UDIN:

Place: New Delhi  
Dated: 30<sup>th</sup> June 2021

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 1(g) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the Consolidated Ind AS Financial Statements of Modi Rubber Limited)**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of Modi Rubber Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), which are the companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies, its joint ventures and its associate which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matter paragraph below, is sufficient and

appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to further periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting do not include our opinion in respect of 3 joint ventures and 1 associate, which are companies incorporated in India and are unaudited.

Our opinion is not modified in respect of the above matter with respect to our reliance on representations provided by the management.

For Suresh Surana & Associates LLP  
Chartered Accountants  
Firm's Reg. No.: 121750W/W-10001

Ravinder Pal Singh  
Partner  
Membership No. 090989  
UDIN :  
Place: New Delhi  
Dated: 30<sup>th</sup> June 2021

(Amount in lacs)			
Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>I ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	2,699.53	2,945.08
Other intangible assets	3 (b)	1.30	1.88
Capital work-in-progress	3 (c)	25.10	-
Investment in joint ventures and associate	52	18,785.83	19,549.37
Financial assets		-	-
Investments	4	10,411.93	8,335.30
Loans	5	16.23	16.03
Other financial assets	6	1,337.52	4,100.17
Deferred tax assets(net)	7	336.13	347.65
Other non-current assets	8	640.13	974.90
<b>Total non-current assets</b>		<b>34,253.70</b>	<b>36,270.38</b>
<b>Current assets</b>			
Inventories	9	-	-
Financial assets			
Investments	10	7,837.48	6,430.76
Trade receivables	11	79.03	68.59
Cash and cash equivalents	12	106.84	616.25
Bank balances other than (iii) above	12A	200.00	200.00
Loans	13	180.75	84.98
Other financial assets	14	3,053.76	15.84
Current tax assets (net)	15	13.02	14.02
Other current assets	16	256.47	241.19
<b>Total current assets</b>		<b>11,727.35</b>	<b>7,671.63</b>
<b>Total Assets</b>		<b>45,981.05</b>	<b>43,942.01</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	2,504.05	2,504.05
Other equity	18	40,880.33	38,165.48
<b>Total equity</b>		<b>43,384.38</b>	<b>40,669.53</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	19	261.51	291.74
Other financial liabilities	20	143.84	157.91
Provisions	21	-	-
Other non-current liabilities	22	4.31	5.28
<b>Total non-current liabilities</b>		<b>409.66</b>	<b>454.93</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	23	138.68	137.73
Other financial liabilities	24	713.34	836.73
Other current liabilities	25	1,334.99	1,843.09
<b>Total current liabilities</b>		<b>2,187.01</b>	<b>2,817.55</b>
<b>Total Equity and Liabilities</b>		<b>45,981.05</b>	<b>43,942.01</b>

The accompanying notes 1 to 53 form an integral part of these financial statements.

As per our Report Attached

**For Suresh Surana & Associates LLP**  
(Firm Registration No. 121750W/W-100010)  
Chartered Accountants

For and on behalf of the Board of Directors of  
**Modi Rubber Limited**

Ravinder Pal Singh  
Partner  
Membership No.: 090988

Alok Modi (DIN: 00174374)  
**Managing Director**

S.K. Bajpai (ACS: 10110)  
Head- Legal & Company  
Secretary

Piya Modi (DIN: 03623417)  
**Director**

Kamal Gupta  
Chief Financial Officer

Amrit Kapur (DIN: 00508710)  
**Director**

Place: New Delhi  
Date: 30th June 2021

Place : New Delhi/ Ghaziabad/ Dubai

**Modi Rubber Limited**  
**Statement of Consolidated Profit and Loss for the year ended March 31, 2021**

(Amount in lacs)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue</b>			
Revenue from operations	26	277.17	489.35
Other income	27	1,330.76	1,147.23
<b>Total revenue</b>		<b>1,607.93</b>	<b>1,636.58</b>
<b>Expenses</b>			
Employee benefits expense	28	413.08	465.41
Finance costs	29	63.65	60.57
Depreciation and amortization expense	3	267.99	297.30
Other expenses	30	1,276.74	1,555.84
<b>Total expenses</b>		<b>2,021.46</b>	<b>2,379.12</b>
<b>Profit/ (loss) before exceptional item and share of profit/ (loss) of joint ventures and associates and tax</b>		<b>(413.53)</b>	<b>(742.54)</b>
<b>Exceptional Item</b>			
Provision for impairment in the value of investment	47 & 52	349.77	-
Provision for doubtful advances	47	4.33	-
<b>Profit/ (loss) before exceptional item and share of profit/ (loss) of joint ventures and associates and tax</b>		<b>(767.63)</b>	<b>(742.54)</b>
Share of profit/ (loss) of joint ventures and associate	52	1,140.13	811.97
<b>Profit/ (loss) before tax</b>		<b>372.50</b>	<b>69.43</b>
<b>Tax expense</b>			
Current tax			
Current year		168.91	19.17
Earlier years		(1.57)	99.76
Deferred tax		(256.43)	183.70
MAT credit written off		-	-
<b>Total tax expense</b>		<b>(89.09)</b>	<b>302.63</b>
<b>Profit/ (loss) for the year</b>		<b>461.59</b>	<b>(233.20)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of post employment benefit obligations		31.51	(0.84)
- Income tax related to above items		(8.19)	0.22
- Investment in equity instruments measured at fair value		2,497.65	(447.39)
- Income tax related to above item		(259.76)	46.53
- Share of other comprehensive income of joint ventures and associate		(7.95)	(0.11)
<b>Other comprehensive income for the year (net of income tax)</b>		<b>2,253.26</b>	<b>(401.59)</b>
<b>Total comprehensive income for the year</b>		<b>2,714.85</b>	<b>(634.79)</b>
Earnings per equity share (nominal value of Rs 10 per share) Basic & Diluted (Rs)	31	1.84	(0.93)

The accompanying notes 1 to 53 form an integral part of these financial statements.

As per our Report Attached

**For Suresh Surana & Associates LLP**  
(Firm Registration No. 121750W/W-100010)  
Chartered Accountants

For and on behalf of the Board of Directors of  
**Modi Rubber Limited**

Ravinder Pal Singh  
Partner  
Membership No.: 090988

Alok Modi (DIN: 00174374)  
**Managing Director**

S.K. Bajpai (ACS: 10110)  
Head- Legal &  
Company Secretary

Piya Modi (DIN: 03623417)  
**Director**

Kamal Gupta  
Chief Financial Officer

Place: New Delhi  
Date: 30th June 2021

Amrit Kapur (DIN: 00508710)  
**Director**

Place : New Delhi/ Ghaziabad/ Dubai

**Modi Rubber Limited**  
**Consolidated Cash flow statement for the year ended March 31, 2021**

(Amount in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A Cash flows from operating activities</b>		
Profit before tax	372.50	69.43
Adjustments for:	-	
Depreciation and amortization	267.99	297.30
Provision of doubtful debts and advances	56.86	13.24
(Profit)/ loss on sale of property, plant and equipment	(1.96)	3.48
(Profit)/ loss on sale of investment	(14.46)	(25.26)
Financial assets measured at fair value	(284.14)	(379.17)
Interest on security deposit at amortised cost	(1.56)	(2.99)
Interest expenses	0.51	12.22
Interest on lease	18.51	18.73
Liabilities written back	(40.06)	(443.75)
Interest income	767.74	(155.28)
Dividend received	(72.69)	(62.45)
Sundry balances written off	-	47.33
Exceptional Items	354.10	
Net share of loss in joint ventures and associate	(1,140.13)	672.26
Provision for diminution in the value of inventory	-	-
Unwinding of discount on financial assets at amortized cost	1.68	3.62
<b>Operating profit before working capital changes</b>	<b>284.89</b>	<b>68.71</b>
Adjustments for :		
Increase/(decrease) in trade payables	(50.89)	0.84
Increase/(decrease) in other non-current financial liabilities	-	(44.06)
Increase/(decrease) in other non-current liabilities	(0.97)	(1.55)
Increase/(decrease) in other current financial liabilities	(69.51)	164.41
Increase/(decrease) in other current liabilities	(503.07)	(174.43)
Decrease/(increase) in loans and advances	(101.98)	127.16
Decrease/(increase) in other non-current assets	(106.13)	74.09
Decrease/(increase) in trade receivables	(15.46)	(38.81)
Decrease/(increase) in other non-current financial assets	2,604.44	383.21
Decrease/(increase) in other current financial assets	(2,909.06)	28.19
Decrease/(increase) in other current assets	(15.28)	(40.43)
<b>Net cash generated from operations</b>	<b>(883.02)</b>	<b>547.33</b>
Less: Taxes paid, net of refund	301.04	(114.19)
<b>Net cash from operating activities (A)</b>	<b>(581.98)</b>	<b>433.14</b>
<b>B Cash flows from investing activities</b>		
Dividend received	2,040.34	62.45
Interest received	(731.86)	163.67
Purchase of property, plant and equipment	(54.90)	(138.07)
Proceeds from sale of property, plant and equipment	9.90	-
Purchase of long term investments	-	(122.75)
Net proceeds from sale of long term investments	5,512.63	-
Purchase of short term investments	(6,621.10)	(3,740.51)
Net proceeds from sale of short term investments	-	3,143.00
<b>Net cash from investing activities (B)</b>	<b>155.01</b>	<b>(632.21)</b>
<b>C Cash flows from financing activities</b>		
Increase/ (decrease) in borrowings	(42.74)	12.76
Repayment of lease obligation	(33.11)	(33.12)
Interest paid	(6.59)	(12.22)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(82.44)</b>	<b>(32.58)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(509.41)</b>	<b>(231.65)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>616.25</b>	<b>847.90</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>106.84</b>	<b>616.25</b>

**Modi Rubber Limited**  
**Consolidated Cash flow statement for the year ended March 31, 2021**

(Amount in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
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**Notes:**

- (i) The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Cash Flow Statements.  
(ii) Amounts in brackets represent a cash outflow or a loss.  
(iii) Components of cash and cash equivalents included under cash and bank balances are as below:

**Cash and cash equivalents (note 12)**

Cash in hand	5.26	4.58
Balances with banks		
- In current account	101.58	611.67
- Deposits with original maturity of upto 3 months	-	-
<b>Total</b>	<b>106.84</b>	<b>616.25</b>

The accompanying notes 1 to 53 form an integral part of these financial statements.

As per our report of even date

**For Suresh Surana & Associates LLP**  
Chartered Accountants  
Firm's Registration No.121750 W/W-100010

For and on behalf of the Board of Directors of  
**Modi Rubber Limited**

Ravinder Pal Singh  
Partner  
Membership No.: 090988

Alok Modi (DIN: 00174374)  
**Managing Director**

S.K. Bajpai (ACS: 10110)  
**Head- Legal &  
Company Secretary**

Piya Modi (DIN: 03623417)  
**Director**

Kamal Gupta  
**Chief Financial Officer**

Amrit Kapur (DIN: 00508710)  
**Director**

Place: New Delhi  
Date: 30th June 2021

Place : New Delhi/ Ghaziabad/ Dubai



A. Equity Share Capital

For the year ended March 31, 2021

(Amount in lacs)

Balance as at April 01, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
2,504.05	-	2,504.05

For the year ended March 31, 2020

(Amount in lacs)

Balance as at April 01, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
2,504.05	-	2,504.05

B. Other Equity

For the year ended March 31, 2021

(Amount in lacs)

Particulars	Reserves & Surplus				Items of Other Comprehensive income			Total
	Capital reserve	Security Premium Reserve	General reserve	Retained Earnings	Actuarial gain/ (loss)	Share of other comprehensive income of joint ventures and associate	Equity instruments measured at fair value	
Balance as at April 1, 2020	13,782.22	5,782.32	903.16	17,154.27	12.40	(47.66)	578.77	38,165.48
IndAS 116 transition adjustment (refer note 37)	-	-	-	-	-	-	-	-
Balance as at April 1, 2020 (Net)	13,782.22	5,782.32	903.16	17,154.27	12.40	(47.66)	578.77	38,165.48
Profit/ (loss) for the year	-	-	-	461.59	-	-	-	461.59
Other comprehensive Income	-	-	-	-	31.51	(7.95)	2,497.65	2,521.21
Income tax on OCI items	-	-	-	-	(8.19)	-	(259.76)	(267.95)
Group's share in Dividend Distribution Tax on dividend received	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	461.59	23.32	(7.95)	2,237.89	2,714.85
Adjustment during the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	13,782.22	5,782.32	903.16	17,615.86	35.72	(55.61)	2,816.66	40,880.33

For the year ended March 31, 2020

(Amount in lacs)

Particulars	Reserves & Surplus				Items of Other Comprehensive income			Total
	Capital reserve	Security Premium Reserve	General reserve	Retained Earnings	Actuarial gain/ (loss)	Share of other comprehensive income of joint ventures and associate	Equity instruments measured at fair value	
Balance as at April 1, 2019	13,782.22	5,782.32	903.16	17,717.86	13.02	(47.55)	979.63	39,130.66
IndAS 116 transition adjustment (refer note 37)	-	-	-	26.08	-	-	-	26.08
Balance as at April 1, 2019 (Net)	13,782.22	5,782.32	903.16	17,743.94	13.02	(47.55)	979.63	39,156.74
Profit/ (loss) for the year	-	-	-	(233.20)	-	-	-	(233.20)
Other comprehensive Income	-	-	-	-	(0.84)	(0.11)	(447.39)	(448.34)
Income tax on OCI items	-	-	-	-	0.22	-	46.53	46.75
Group's share in Dividend Distribution Tax on dividend received	-	-	-	(356.47)	-	-	-	(356.47)
Total Comprehensive Income	-	-	-	(589.67)	(0.62)	(0.11)	(400.86)	(991.26)
Adjustment during the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	13,782.22	5,782.32	903.16	17,154.27	12.40	(47.66)	578.77	38,165.48

## Modi Rubber Limited

### Significant accounting policies and other notes to consolidated financial statements for the year ended March 31, 2021

#### 1. GROUP CORPORATE INFORMATION

Modi Rubber Limited Group consists of Modi Rubber Limited (“the Company”), its two subsidiaries, (the Holding Company and its subsidiaries together referred to as “the Group”), its three joint ventures and its one associate. The Group’s operations comprise manufacturing automobile tyres, tubes & flaps, manufacture and sale of resin coated sand as well as operating salons.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Preparation of Consolidated Financial Statements.

##### a) Statement of Compliance

The Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015. The financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

##### b) Basis of Preparation and Presentation

The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period and in case of certain items of Income/Expenditure where recovery/payment is uncertain. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### Basis of consolidation

##### Subsidiaries

The Consolidated Financial Statements of the Group include its subsidiaries namely Superior Investment (India) Limited and Spin Investment (India) Limited incorporated in India in which the Company holds 100% of their respective paid up Share Capital. Subsidiaries are entities controlled by the Company. Control exists when the Company (a) has power over the investee; (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to affect those returns through its power over the investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above. In assessing control, potential voting rights that currently are exercisable are taken into account. The assets, liabilities, income and expenses of subsidiaries are aggregated and consolidated, line by line. Profit or loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interests.

Inter-company transactions and balances including unrealized profits are eliminated in full on consolidation.

##### Joint ventures and Associate

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are incorporated in these financial statements using the equity method of accounting as described below.

## Modi Rubber Limited

### Significant accounting policies and other notes to consolidated financial statements for the year ended March 31, 2021

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets and liabilities of a associate are incorporated in these financial statements using the equity method of accounting as described below.

#### Equity method of accounting

An interest in a joint venture and associate is accounted for using the equity method from the date in which the investee becomes a joint venture/associate and are recognized initially at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of profits or losses and equity movements of equity accounted investees, from the date that joint control/significant influence commences until the date that joint control/significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments in the nature of net investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. When the Group transacts with a joint venture/associate, unrealized profits and losses are eliminated to the extent of the Group's interest in its associate or joint venture.

The Consolidated Financial Statements comprise the financial statements of Modi Rubber Limited and its subsidiaries, joint ventures and associate companies as on 31 March 2021 which are as under:

S.No.	Name of the Subsidiary and Joint Venture	Financial year ended on	Extent of Holding Company's interest as 31 March 2021/ 31 March 2020	Country of incorporation
<b>Subsidiaries</b>				
i)	Spin Investment (India) Limited	March 31, 2021	100%/100%	India
ii)	Superior Investment (India) Limited	March 31, 2021	100%/100%	India
<b>Joint Ventures</b>				
iii)	Asahi Modi Materials Private Limited	March 31, 2021	49%/49%	India
iv)	Gujarat Guardian Limited	March 31, 2021	21.24%/21.24**%	India
v)	Modi Marco Aldany Private Limited *	March 31, 2021	50%/50%	India
<b>Associate</b>				
vi)	Vinura Beverages Private Limited	March 31, 2021	49.98%/49.98%	India

- Incorporated on 07 December 2016

Consolidation of the Modistone Limited in which the parent company holds 55.32% of its paid up Capital has not been made because Modistone Limited is under liquidation. The Official Liquidator has taken charge of the company w.e.f. 25.7.2002 as per the order of Hon'ble Bombay High Court. Provision for diminution in value of this investment has already been made in earlier years.

## Modi Rubber Limited

### Significant accounting policies and other notes to consolidated financial statements for the year ended March 31, 2021

#### Functional and Presentation Currency

The financial statements have been prepared and presented in Indian Rupees (₹), which is also the Group's functional currency.

#### Rounding off

All amounts in the financial statement and accompanying notes are presented in Rs Lacs and have been rounded-off to two decimal places unless stated otherwise.

#### Current and Non-current Classification

The Group has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents.

#### c) Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

i) Raw Materials	Lower of cost or net realizable value
ii) Goods-in-process	Lower of cost or net realizable value
iii) Finished Goods	Lower of cost or net realizable value
iv) Stores, Spares Parts and Loose Tools	At weighted average cost
v) Scrap and Wastage	At estimated selling price

#### d) Property, Plant and equipment

- i) Items of property, plant & equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost is inclusive of freight, duties, taxes or levies (net of recoverable taxes) and any directly attributable cost of bringing the assets to their working condition for intended use.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Profit or loss on disposal/ scrapping/ write off/ retirement from active use of an item of property, plant and equipment is recognised in the statement of profit and loss.

Leasehold land, building on leasehold land as well as building on freehold land that are neither held to earn rentals nor for capital appreciation do not qualify as investment property.

- ii) Intangible assets acquired separately are measured on initial recognition at cost. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized

## Modi Rubber Limited

### Significant accounting policies and other notes to consolidated financial statements for the year ended March 31, 2021

#### Impairment of Property, Plant and Equipment

At each balance sheet date, items of property, plant and equipment are reviewed to determine whether there is any indication of impairment. If any impairment indicator exists, estimate of the recoverable amount of the property, plant and equipment is made. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount rate.

Reversal of impairment losses recognised in earlier years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for that asset in earlier years.

#### e) Depreciation and Amortization

- i) Depreciation on Machinery is provided on Straight Line method and other assets on the written down value method over the useful estimated lives of assets as mentioned in Schedule II of the Companies Act, 2013. The estimated useful lives of the assets are as follows:

Assets	Useful Life
Building	30-60 years
Plant & Machinery	15 years
Furniture & Fixtures	10 years
Electrical Installation	10 years
Vehicles	8 years
Office Equipment	5 years
Computers	3 years

- ii) Intangible assets are amortized on a straight line basis over the estimated useful economic life
- iii) The company considers purchase of Mobile phones as revenue expenditures, hence they are charged to profit & loss a/c in the year of its purchase.
- iv) Depreciation on Investment property is provided on the written down value method over the useful estimated lives of assets as mentioned in Schedule II of the Companies Act, 2013. Useful lives and residual values of all the fixed assets are reviewed annually.

#### f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Effective April 1, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). As the company does not have any contracts which were not completed at the date of initial application of this standard hence the standard is applied prospectively. The impact of adoption of the standard on the financial statements of the company is insignificant

**Modi Rubber Limited****Significant accounting policies and other notes to consolidated financial statements for the year ended March 31, 2021****Revenue from Operations****Sale of goods**

Revenue is measured at the fair value of consideration received or receivable. Revenue comprises of sale of rooms, foods & beverage and allied services relating to guest house operations. Revenue is recognised upon rendering of services, provided persuasive evidence of an arrangement exists, tariff/rates are fixed or are determinable and collectability is reasonably certain. Revenue from sales of goods or rendering of services is net of indirect taxes, returns or discounts.

.Rental income from operating leases is recognized on a straight-line basis over the lease term

**Interest**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

**Dividend**

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date.

**Other Incomes are recognized on accrual basis.****g) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current Tax**

The tax currently payable is based on taxable profits for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## Modi Rubber Limited

### Significant accounting policies and other notes to consolidated financial statements for the year ended March 31, 2021

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### Current and Deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### Minimum Alternate Tax

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

#### h) Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earning per share is the net profit for the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares that could have been issued upon conversion.

#### i) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset/s and the arrangement conveys a right to use the asset/s, even if that right is not explicitly specified in an arrangement.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee. All other leases are classified as operating leases.

**Modi Rubber Limited****Significant accounting policies and other notes to consolidated financial statements for the year ended March 31, 2021**

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The Group has elected not to apply the requirements of Ind AS 116 leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

**j) Foreign Exchange Transactions**

The functional currency of the Group is the Indian rupee. These financial statements are presented in Indian rupees.

In preparing the financial statements, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

**k) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.



## Modi Rubber Limited

### Significant accounting policies and other notes to consolidated financial statements for the year ended March 31, 2021

#### l) Employee Benefits

##### Short term employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, expected cost of bonus, ex-gratia, leave travel allowance, medical reimbursement, etc. are recognised in the period in which the employee renders the related services.

**Performance incentives:** The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the services. These benefits include performance incentives.

**Compensated absences:** As per the Group's leave policy, employees have to utilise their leave entitlement during the financial year and cannot carry forward their outstanding leave balance. Consequently, the Group does not make any provision for leave encashment/compensated absences as at the year end

##### Post employment benefit plans

**Defined Contribution Plan** - Contributions towards Employees' PF Linked Pension Scheme is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

##### Defined Benefit Plan

**Provident Fund:** Contribution towards provident fund are made to Employees' Provident Fund Organisation, India.

**Gratuity:** The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering employees on actual duty. The Group's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognised in the Other Comprehensive Income in the year in which they arise.

#### m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised in the financial statements.

## Modi Rubber Limited

### Significant accounting policies and other notes to consolidated financial statements for the year ended March 31, 2021

#### n) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

#### o) Financial instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments.

##### Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Regular way purchase and sale of financial assets are accounted for at trade date.

##### Subsequent measurement

#### a) Non-derivative financial instruments

##### i) Cash and Cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

##### ii) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### iii) Equity investments at fair value through other comprehensive income (FVTOCI)

These include financial assets that are equity instruments and are irrevocably designated as such upon initial recognition. Subsequently, these are measured at fair value and changes therein are recognized directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognized in the Statement of Profit and Loss when the right to receive payment has been established. When the equity investment is derecognized, the cumulative gain or loss in equity is transferred to retained earnings.

##### iv) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

## Modi Rubber Limited

### Significant accounting policies and other notes to consolidated financial statements for the year ended March 31, 2021

#### v) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### b) Share Capital

##### Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognized as a deduction from equity.

#### c) Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### p) Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

The fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability

#### q) Impairment of Financial Assets

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at

## Modi Rubber Limited

### Significant accounting policies and other notes to consolidated financial statements for the year ended March 31, 2021

lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

In case of investment in group companies, the management shall review the performance of the investee company on continuous basis while performing impairment testing on quarterly basis and after such assessment, if required so, the adequate provision for impairment in the value of investment shall be provided in the books of account. On disposal of investments in these shares, the difference between net disposal proceeds and carrying amounts are recognised in the Statement of Profit and Loss.

#### r) **Critical estimates in applying accounting policies**

The preparation of financial statements in conformity with Ind AS requires management to make certain judgements and estimates that may affect the application of accounting policies, reported amounts and related disclosures.

These judgements and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and income and expense items for the period under review. Actual results may differ from these judgments and estimates.

All assumptions, expectations and forecasts that are used as a basis for judgements and estimates in the financial statements represent as accurately an outlook as possible for the group. These judgements and estimates only represent our interpretation as of the dates on which they were prepared. Important judgements and estimates relate largely to provisions, pensions, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

#### s) **RECENT ACCOUNTING PRONOUNCEMENTS**

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

##### **Balance Sheet:**

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable

**Modi Rubber Limited****Significant accounting policies and other notes to consolidated financial statements for the year ended March 31, 2021**

property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the company will evaluate the same to give effect to them as required by law.

3 (a) Property Plant & Equipment

As at March 31, 2021					(Amount in lacs)				
Particulars	Gross Block				Depreciation/Amortisation and Impairment				Net Block
	As at April 1, 2020	Additions	Deductions/ Adjustments	As at March 31, 2021	As at April 1, 2020	For the year	Deductions/ Adjustments	Upto March 31, 2021	As at March 31, 2021
<b>Assets taken on lease</b>									
Leasehold land	127.53	-	-	127.53	-	-	-	-	127.53
Building on leasehold land*	1,698.82	-	-	1,698.82	233.35	71.94	-	305.29	1,393.53
<b>(A)</b>	<b>1,826.35</b>	<b>-</b>	<b>-</b>	<b>1,826.35</b>	<b>233.35</b>	<b>71.94</b>	<b>-</b>	<b>305.29</b>	<b>1,521.06</b>
<b>Own assets</b>									
Freehold land	183.90	-	-	183.90	-	-	-	-	183.90
Building on freehold land**	351.41	-	-	351.41	55.23	15.69	-	70.92	280.49
Plant & machinery	177.92	-	-	177.92	-	-	-	-	177.92
Furniture and fixtures	503.84	2.50	-	506.34	276.47	59.27	-	335.74	170.60
Data processing equipment	16.90	6.25	-	23.15	13.35	3.06	-	16.41	6.74
Office equipments & electrical installation	459.16	21.05	-	480.21	270.53	56.90	-	327.43	152.78
Vehicles	325.22	-	51.57	273.65	199.67	38.45	43.63	194.49	79.16
Right to use asset (Refer note 37)	171.07	-	-	171.07	22.09	22.10	-	44.19	126.88
<b>(B)</b>	<b>2,189.42</b>	<b>29.80</b>	<b>51.57</b>	<b>2,167.65</b>	<b>837.34</b>	<b>195.47</b>	<b>43.63</b>	<b>989.18</b>	<b>1,178.47</b>
<b>Total (A) + (B)</b>	<b>4,015.77</b>	<b>29.80</b>	<b>51.57</b>	<b>3,994.00</b>	<b>1,070.69</b>	<b>267.41</b>	<b>43.63</b>	<b>1,294.47</b>	<b>2,699.53</b>
<b>As at March 31, 2020</b>					<b>(Amount in lacs)</b>				
Particulars	Gross Block				Depreciation/Amortisation and Impairment				Net Block
	As at April 1, 2019	Additions	Deductions/ Adjustments	As at March 31, 2020	As at April 1, 2019	For the year	Deductions/ Adjustments	Upto March 31, 2020	As at March 31, 2020
<b>Assets taken on lease</b>									
Leasehold land	127.53	-	-	127.53	-	-	-	-	127.53
Building on leasehold land*	1,698.82	-	-	1,698.82	157.66	75.69	-	233.35	1,465.47
<b>(A)</b>	<b>1,826.35</b>	<b>-</b>	<b>-</b>	<b>1,826.35</b>	<b>157.66</b>	<b>75.69</b>	<b>-</b>	<b>233.35</b>	<b>1,593.00</b>
<b>Own assets</b>									
Freehold land	183.90	-	-	183.90	-	-	-	-	183.90
Building on freehold land**	314.55	36.86	-	351.41	42.42	12.81	-	55.23	296.18
Plant & machinery	177.92	-	-	177.92	-	-	-	-	177.92
Furniture and fixtures	500.33	3.51	-	503.84	197.67	78.80	-	276.47	227.37
Data processing equipment	15.45	1.57	0.12	16.90	11.74	1.61	-	13.35	3.55
Office equipments & electrical installation	435.50	27.19	3.53	459.16	202.07	68.63	0.17	270.53	188.63
Vehicles	256.68	68.54	-	325.22	162.95	36.72	-	199.67	125.55
Right to use asset (Refer note 37)	-	171.07	-	171.07	-	22.09	-	22.09	148.98
<b>(B)</b>	<b>1,884.33</b>	<b>308.74</b>	<b>3.65</b>	<b>2,189.42</b>	<b>616.85</b>	<b>220.66</b>	<b>0.17</b>	<b>837.34</b>	<b>1,352.08</b>
<b>Total (A) + (B)</b>	<b>3,710.68</b>	<b>308.74</b>	<b>3.65</b>	<b>4,015.77</b>	<b>774.51</b>	<b>296.35</b>	<b>0.17</b>	<b>1,070.69</b>	<b>2,945.08</b>

**Gross Block**

**\*Building on leasehold land includes :-**

- Alongwith other assets at Mumbai, possession of which (except one floor) is with the company as per court decision. Transfer of title of property is pending decision of court. 27.49

\* Building on leasehold land includes leasehold improvement

**\*\*Building on freehold land include :-**

- Alongwith cost of land on which depreciation charged on total cost 2.07  
- For which conveyance deed is yet to be executed (15, Friends Colony West, New Delhi) 18.96



4. Non-current Investments

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>(a) Investment In Equity Instruments- Fully paid up</b>		
<b>Quoted (at fair value through Other comprehensive income ) No.of Shares/Units (refer footnote i)</b>		
197,999 (March 31, 2020:197,999) Lords Chloro Alkali Ltd. of Rs. 10 each	57.52	35.64
680,001 (March 31, 2020: 680,001) Bihar Sponge Iron Ltd. of Rs. 10 each	14.48	2.45
333,428 (March 31, 2020: 333,428) Infosys Limited of Rs.5 each	4,560.46	2,134.94
4,400 (March 31, 2020: 4,400 ) Housing Development Finance Corpo. Ltd. of Rs. 2 each	109.95	71.74
	<b>4,742.41</b>	<b>2,244.77</b>
<b>Unquoted ( at cost ) No.of Shares/Units</b>		
<b>Subsidiaries</b>		
11,475,000 (March 31, 2020: 11,475,000) Modistone Ltd. of Rs. 10 each	2,137.50	2,137.50
Less: Provision for diminution in value of shares	(2,137.50)	(2,137.50)
<b>Joint Ventures</b>		
96,000 (March 31, 2020: 96,000) Modi Carpets Ltd. of Rs. 10 each	6.19	6.19
Less: Provision for diminution in value of shares	(6.19)	(6.19)
<b>Other Investments (at fair value) No.of Shares/Units</b>		
9,000 (March 31,2020: 9,000) Licensintorg Co. (I) Pvt. Ltd. of Rs. 10 each	9.00	9.00
Less: Provision for diminution in value of shares	(9.00)	(9.00)
11,550 (March 31,2020: 11,550) Kesha Processors Ltd. of Rs. 10 each	1.05	1.05
Less: Provision for diminution in value of shares	(1.05)	(1.05)
1,250,000 (March 31, 2020: 1,250,000) Spark Plug Ltd. of Rs. 10 each	125.00	125.00
Less: Provision for diminution in value of shares	(125.00)	(125.00)
56,00,000 (March 31,2020: 56,000,00) equity shares of Mod Fashions & Securities Pvt. Ltd. of Rs. 10/- each fully paid up	2,520.00	2,520.00
	<b>2,520.00</b>	<b>2,520.00</b>
<b>(b) Investment in Preference shares</b>		
<b>Unquoted (at fair value through Profit &amp; Loss)</b>		
99 (March 31,2020: 99) - 7% Non Cumulative Non Convertible Redeemable Preference Shares of K.K. Modi Investment and Financial Services Private Limited of Rs.10 each	0.01	0.01
2,558,670 (March 31,2020 :2,558,670 ) - 9% Non Cumulative Optionally Convertible Preference Shares of Vinura Beverage Pvt. Ltd. of Rs. 10/- each fully paid up (refer note (iii))	255.87	255.87
Less: 'Provision for impairment in the value of Investment	(255.87)	-
<b>Unquoted (at fair value through Other comprehensive income)</b>		
25,108,214 (March 31,2020 : 23,655,109 ) - 9% Non Cumulative Optionally Convertible Preference Shares of Uniglobe Mod Travels Private Limited of Rs.10 each (refer note (iii))	2,510.82	2,510.82
<b>Joint Venture</b>		
<b>Unquoted (at fair value through Profit &amp; Loss)</b>		
'860,000 (March 31,2020 : 860,000 ) - 0.1% Non Cumulative Optionally Convertible Preference Shares of Modi Marco Aldany Pvt Ltd. of Rs.10 each (refer note (iv))	86.00	86.00
	<b>2,596.83</b>	<b>2,852.70</b>
<b>(c) Investment In Government or Trust Securities</b>		
<b>Unquoted (at fair value)</b>		
Tax Free, Secured, Redeemable, Non Convertible, Bonds of National Highway Authority of India of Rs. 1000/- each fully paid up for 10 Years (Inception date: 28.01.2012; Maturity date: 10,875 (March 31,2020: 10,875) Tax Free, Secured, Redeemable, Non-Convertible Bonds of Indian Railway Finance Corporation Ltd.of Rs. 1000/- each fully paid up for 15 Years (Inception date: 23.02.2012; Maturity date: 23.02.2027)	74.17	74.17
12,362 (March 31,2020: 12,362) - Tax Free, Secured, Redeemable, Non Convertible, Bonds of National Highway Authority of India of Rs. 1000/- each fully paid up for 10 Years (Inception date: 25.01.2012; Maturity date: 25.01.2022)	108.75	108.75
	123.62	123.62
	<b>306.54</b>	<b>306.54</b>
<b>(d) Investment In mutual funds</b>		
<b>Quoted (at fair value )</b>		
2,500 (March 31,2020: 2,500) Units of Prudential ICICI Technology Fund of Rs. 10/- each fully paid up	1.34	0.63
	<b>1.34</b>	<b>0.63</b>
<b>(e) Others</b>		
9,977,187 (March 31, 2020: 9,977,187) Modi Marco Aldany Pvt Ltd. of Rs. 10 each (3,327,187 shares Fully Paid up & 6,650,000 Partly Paid upto Rs 9.934 each)	660.63	660.63
Less: Share of loss in joint venture remain unadjusted from fully paid up shares (refer note 51)	(415.82)	(249.97)
	<b>244.81</b>	<b>410.66</b>
<b>Total</b>	<b>10,411.93</b>	<b>8,335.30</b>



**Footnote:**

(i) Market Rate - Rs 4,743.75 lacs (March 31, 2020: Rs 2,245.40 lacs)

(ii) For explanation on the Company credit risk management process refer note 34.1

(iii) (a) Pursuant to arrangement between the companies, during earlier year, the group had subscribed optionally convertible preference shares vide board resolution dt 02.04.2018 of the investee company against loans & advances amounting to Rs 255.87 lacs (inclusive of interest) given by the company to the investee company.

(b) Pursuant to arrangement between the companies, during earlier year the group have subscribed optionally convertible preference shares of the investee company (group company) against consideration which includes loans & advances (inclusive of interest) amounting to Rs 2010.82 lacs given by the group to the investee company.

**(iv) Terms of Preference Shares**

The Group had invested in 86,000 Non Cumulative Optionally Convertible Preference Shares (OCPS) of Modi Marco Aldany Private Limited at face value of Rs.10 each. The total OCPS shall carry a coupon rate of 0.01% for Preference Dividend (Non Cumulative) from the date of allotment upto the date of redemption / conversion on the face value. The term of OCPs is maximum 20 years. The issuer shall only have an option to convert such no. of OCPS into Equity Shares of Rs. 10/- each at the option of the company at any time during the tenure of the OCPS i.e. 20 years from the date of issuance. The redemption would be done in accordance with the mutual agreement between issuer and the investor on a later date.

**5. Non-current Loans**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Loans</b>		
<b>Unsecured, considered good</b>		
Others deposits for utilities	16.23	16.03
<b>Total</b>	<b>16.23</b>	<b>16.03</b>

(i) For explanation on the Company credit risk management process refer note 34.1

**6. Other Non-current Financial Assets**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Restricted deposit with banks (Refer footnote a)		
Deposits with banks	1300.00	3,904.44
Interest accrued on non current bank balance	37.52	195.73
<b>Total</b>	<b>1337.52</b>	<b>4100.17</b>

Footnote i

a) Deposit with banks and interest accrued includes Rs 1,300 lacs and Rs 37.52 lacs respectively which represents payment made against bank guarantee issued in favour of the Registrar of Honourable Supreme Court in the matter of intercorporate deposits. (Refer Note 19(b))

**7. Deferred tax assets (Net)**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax assets</b>		
Carried forward business losses/ unabsorbed depreciation	109.17	129.45
Taxes and duties u/s 43B	303.91	294.45
Measurement of investment at fair value through profit or loss	(73.91)	(146.95)
Measurement of investment at fair value through other comprehensive income	(0.24)	
Depreciation and amortisation of fixed assets	-	(109.49)
Measurement of liabilities at amortised cost	-	(0.27)
Rent equalisation reserve/ lease liability	36.94	40.74
MAT credit entitlement	430.39	261.48
Measurement of investment at fair value through other comprehensive income	(484.08)	(224.32)
On account of property, plant & equipment	(95.21)	
Measurement of assets at amortised cost	121.71	106.92
Remeasurement of post employment benefit obligations	(12.55)	(4.36)
<b>Total</b>	<b>336.13</b>	<b>347.65</b>

a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

Movement in deferred tax balances

March 31, 2021				(Amount in lacs)
Particulars	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2021
Difference in book depreciation and tax depreciation	(109.49)	22.29	-	(87.20)
Gratuity			-	-
Carried forward business losses/ unabsorbed depreciation	129.45	(28.29)	-	101.16
Expenditures allowed under income tax on payment basis	294.45	9.46	-	303.91
Measurement of investment at fair value through profit or loss	(146.95)	73.04	-	(73.91)
Measurement of investment at fair value through other comprehensive income	(224.32)	-	(259.76)	(484.08)
Remeasurement of post employment benefit obligations	(4.36)	-	(8.19)	(12.55)
MAT credit entitlement	261.48	168.91	-	430.39
Measurement of liabilities at amortised cost	(0.27)	0.03	-	(0.24)
Measurement of assets at amortised cost	106.92	14.79	-	121.71
Rent equalisation reserve/ lease liability	40.74	(3.80)	-	36.94
<b>Net tax assets/ (liabilities)</b>	<b>347.65</b>	<b>256.43</b>	<b>(267.95)</b>	<b>336.13</b>

March 31, 2020				(Amount in lacs)
Particulars	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2020
Difference in book depreciation and tax depreciation	(89.14)	(20.35)	-	(109.49)
Gratuity	0.00	-	-	0.00
Carried forward business losses/ unabsorbed depreciation	108.17	21.28	-	129.45
Expenditures allowed under income tax on payment basis	482.89	(188.44)	-	294.45
Measurement of investment at fair value through profit or loss	(90.80)	(56.15)	-	(146.95)
Measurement of investment at fair value through other comprehensive income	(270.85)	-	46.53	(224.32)
Remeasurement of post employment benefit obligations	(4.58)	-	0.22	(4.36)
MAT credit entitlement	242.35	19.13	-	261.48
Measurement of liabilities at amortised cost	(1.95)	1.68	-	(0.27)
Measurement of assets at amortised cost	101.73	5.19	-	106.92
Rent equalisation reserve/ lease liability	6.78	33.96	-	40.74
<b>Net tax assets/ (liabilities)</b>	<b>484.60</b>	<b>(183.70)</b>	<b>46.75</b>	<b>347.65</b>

8. Other Non Current Assets

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Amount Recoverable		
(a) Related party	-	-
(b) Others		
(i) Unsecured Considered good	-	-
(ii) Unsecured Considered doubtful	19.55	19.55
	19.55	19.55
Less : Provision for doubtful advances	(19.55)	(19.55)
	-	-
<b>Deposits under disputes</b>		
Income tax	22.50	346.47
Custom	167.89	167.89
Others	26.64	26.64
Excess of fund value over gratuity liability	22.76	-
<b>Balance with statutory/government authorities</b>		
Advance tax and tax deducted at source	290.49	433.90
Capital advances	109.85	
<b>Total</b>	<b>640.13</b>	<b>974.90</b>

9. Inventories

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>(As taken, valued and certified by the management)</b>		
Stores, spare parts and loose tools (scrap)	75.42	75.42
Less: Provision for obsolescence*	(75.42)	(75.42)
<b>Total</b>	<b>-</b>	<b>-</b>

\*The inventory referred above is lying in the Modi Tyre Factory (MTF) at Modinagar which is under possession of Official Liquidator of the Lessor Company. Due to unaccessability & uncertainty of its existence, the Company has provided provision for the same.

10. Current Financial Investments

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Investment in Mutual Funds -Fully Paid up</b>		
<b>Quoted ( at fair value ) (refer footnote)</b>		
Nil units (March 31, 2020: 163,950.622) Axis Liquid Fund-Direct Growth (CF-DG)	-	3,614.02
6,236.88 units (March 31, 2020: 6,236.88) SBI Premier Liquid Fund - RP-G	199.77	192.94
259.61 units (March 31, 2020: 259.61) HDFC Liquid Fund - Direct plan-Growth Option	10.50	10.14
16137.448 units (March 31,2020 :27,286.743) ICICI Prudential Liquid Plan - Growth	48.90	79.81
Nil units (March 31,2020 :7,866,052.365 ) Kotak Income Opp. Fund- Growth (Regular Plan)	-	1,726.65
52.383 units (March 31, 2020: 52.383 ) HSBC Cash Fund - Growth	1.07	1.03
1,371.041 units (March 31, 2020: 3,370,979 ) Axis liquid Fund - Direct Growth	31.33	74.31
Nil units (March 31,2020: 2,000,000 ) Axis Ultra Short Term Fund Direct Growth	-	226.84
634,903.91 units (March 31,2020 :Nil ) Axis Money Market Fund Direct Growth	7,027.65	-
544.864 units (March 31,2020 : 1,341.860 ) Axis Liquid Fund- Direct Growth	-	30.68
45,00,000 units (March 31, 2020 : 45,00,000 ) Axis Fixed Term Plan -Series 96-Direct Growth	518.26	474.34
<b>Total</b>	<b>7,837.48</b>	<b>6,430.76</b>

There are no significant restrictions on the right of ownership, realisability of investments or the remittance of income or proceeds of disposal.

11. Trade Receivables \*

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Unsecured and considered good unless otherwise specified</b>		
a) Debts outstanding for a period exceeding six months		
(i) Unsecured Considered good	8.05	14.81
(ii) Unsecured Considered doubtful	434.11	395.41
	442.16	410.22
Less : Provision for doubtful debts	(434.11)	(395.41)
	8.05	14.81
b) Others	-	-
(i) Unsecured Considered good	70.98	53.78
(ii) Unsecured Considered doubtful	34.00	9.07
	104.98	62.85
Less : Provision for doubtful debts	(34.00)	(9.07)
	70.98	53.78
<b>Total</b>	<b>79.03</b>	<b>68.59</b>

(i) For explanation on the company credit risk management process refer note 34.1

(ii) For long outstanding trade receivables refer credit risk management process note 34.1

12. Cash and Cash Equivalents

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Cash on hand	5.26	4.58
Current accounts	101.58	611.67
<b>Total</b>	<b>106.84</b>	<b>616.25</b>

For explanation on the company credit risk management process refer note 34.1

12A. Other Bank Balances

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Other bank balances</b>		
Deposits with original maturity for more than three months but realizable within twelve months from the Balance Sheet date	200.00	200.00
<b>Total</b>	<b>200.00</b>	<b>200.00</b>

For explanation on the company credit risk management process refer note 34.1

13. Current Loans

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Loans</b>		
<b>Unsecured</b>		
Loans and advances to Related Party*		
(i) Unsecured Considered good	156.72	61.88
(ii) Unsecured Considered doubtful	6.59	2.26
Less : Provision for doubtful loan	(6.59)	(2.26)
	<u>156.72</u>	<u>61.88</u>
<b>Staff Advances</b>		
(i) Unsecured Considered good	24.03	23.10
(ii) Unsecured Considered doubtful	7.46	7.46
	<u>31.49</u>	<u>30.56</u>
Less : Provision for doubtful advances	(7.46)	(7.46)
	<u>24.03</u>	<u>23.10</u>
<b>Total</b>	<u><u>180.75</u></u>	<u><u>84.98</u></u>

\* Includes amount due from Associate:  
Vinura Beverages Pvt Ltd. (Refer note 38)

- (i) For explanation on the company credit risk management process refer note 34.1  
(ii) For long outstanding receivables refer credit risk management process note 34.1

14. Other current financial assets

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Deposits with banks	2,905.47	-
Interest accrued on fixed deposits/ tax free long term bonds etc.	147.81	12.52
Advances & other recoverable	0.48	1.26
Accrued Income	-	2.06
<b>Total</b>	<u><u>3,053.76</u></u>	<u><u>15.84</u></u>

a) Deposit with banks and interest accrued includes Rs 2,798.47 lacs and Rs 117.11 lacs respectively which represents two escrow accounts which were initially created for a period of eight years due to Share Purchase Agreement dated July 15, 2011, between the Company & Continental India Limited ("buyer"), in order to cover unascertained liabilities prior to 15th July 2011 which can be claimed by the buyer till 15th July 2019. Pending to the settlement of claims, the parties have mutually agreed to extend the FDRs period in the escrow account till 15th July 2021. Based on the legal opinion taken by the company from legal expert in earlier year, the company has disclosed the interest income accrued till 31st March 2020 on escrow account deposit under "Other Current Liabilities". However, based on the present development in the case and contention of the management, the company has written back the complete interest amount, accrued till 31st March 2020 on given FDR's and shown it under "Other Income". (Refer Note 25 and 27).

For explanation on the company credit risk management process refer note 34.1

15. Current tax assets (net)

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Advance tax (net of provision for tax)	13.02	14.02
<b>Total</b>	<u><u>13.02</u></u>	<u><u>14.02</u></u>

16. Other current assets

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Other claims recoverable		
(i) Unsecured Considered good	93.21	93.21
(ii) Unsecured Considered doubtful	31.98	31.98
	<u>125.19</u>	<u>125.19</u>
Less : Provision for doubtful Advance	(31.98)	(31.98)
	<u>93.21</u>	<u>93.21</u>
Advances recoverable in cash/ kind or value to be received		
Related party (refer note 38)	93.63	112.02
Others	50.34	23.64
	<u>143.97</u>	<u>135.66</u>
Prepaid expenses	19.29	12.32
<b>Total</b>	<u><u>256.47</u></u>	<u><u>241.19</u></u>

**Modi Rubber Limited**  
**Notes to financial statements for the year ended March 31, 2021**

**17. Share capital**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Equity share capital</b>		
The Company has two class of shares i.e. Equity Shares having a par value of Rs.10 per share and Preference shares having a par value of Rs.100 per share.		
<b>Authorised shares</b>		
50,000,000 Equity shares of par value Rs.10 each (50,000,000 Equity shares of par value Rs.10 each as at March 31, 2020)	5,000.00	5,000.00
200,000 11% Redeemable Cumulative Preference shares of par value Rs. 100 each (200,000 Preference shares of par value Rs.100 each as at March 31, 2020)	200.00	200.00
	<b>5,200.00</b>	<b>5,200.00</b>
<b>Issued, subscribed and fully paid up shares</b>		
25,040,532 Equity shares of par value Rs.10 each (25,040,532 shares of par value Rs.10 each as at March 31, 2020)	2,504.05	2,504.05
	<b>2,504.05</b>	<b>2,504.05</b>

a) **Movements in equity share capital:**

During the year, the Company has neither issued nor bought back any shares.

b) **Terms and rights attached to equity shares:**

*Voting*

Each holder of equity share is entitled to one vote per share held.

*Dividends*

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed.

*Liquidation*

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

- c) During the last five financial years, no class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back.
- d) Shares held by the shareholders holding more than 5% shares in the Company.

Name of the share holders	As at March 31, 2021		As at March 31, 2020	
	No. of shares	%age holding	No. of shares	%age holding
<b>Equity share of Rs. 10 each, fully paid</b>				
Mod Fashions and Securities Private Limited	12,010,267	47.96%	12,010,267	47.96%
Witta International Inc	2,554,078	10.20%	2,554,078	10.20%
Kinborough Limited	5,739,451	22.92%	5,739,451	22.92%

**Modi Rubber Limited**  
**Notes to financial statements for the year ended March 31, 2021**

**18. Other equity**

<b>Particulars</b>	<b>(Amount in lacs)</b>	
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
General reserve	<b>903.16</b>	903.16
Capital reserve	<b>13782.22</b>	13,782.22
Security premium reserve	<b>5782.32</b>	5,782.32
Retained earnings	<b>20412.63</b>	17,697.78
<b>Total</b>	<b>40,880.33</b>	<b>38,165.48</b>
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Retained earnings</b>		
Opening balance	<b>17,697.78</b>	18,662.96
IndAS 116 transition adjustment (Refer note 37)	<b>-</b>	26.08
Add: Profit after tax for the year as per Statement of Profit and Loss	<b>461.59</b>	(233.20)
	<b>18,159.37</b>	18,455.84
Items of other comprehensive income recognised directly in retained earnings:		
- Fair valuation impact on quoted equity investment, net of tax	<b>2,237.89</b>	(400.86)
- Remeasurements of post-employment benefit obligation, net of tax	<b>23.32</b>	(0.62)
- Group's share in Dividend distribution tax on dividend received	<b>-</b>	(356.47)
- Share of other comprehensive income of joint ventures and associate	<b>(7.95)</b>	(0.11)
<b>Closing balance</b>	<b>20,412.63</b>	17,697.78

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**19. Non current Borrowings**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Borrowings		
Term loans from others- Secured (refer footnote (a))	41.74	84.48
Inter Corporate Deposits- Unsecured (refer footnote (b))	250.00	250.00
Total non-current borrowing	291.74	334.48
Less: Current portion of non-current borrowings	(30.23)	(42.74)
<b>Total</b>	<b>261.51</b>	<b>291.74</b>

Includes:

(a) Secured by hypothecation of vehicles:

i) Term Loan of Rs. 11.63 lacs (March 31, 2020: Rs 37.30 lacs) repayable in equated monthly instalment of Rs 2.39 lacs each (including interest). Final instalment due in August 2021.

ii) Term Loan of Rs. 30.11 lacs (March 31, 2020: Rs 47.18 lacs) repayable in equated monthly instalment of Rs 1.71 lacs each (including interest). Final instalment due in October 2022.

(b) Rs. 250 lacs (March 31, 2020: Rs. 250 lacs) payable @ 50% of Rs.500 lacs to M/s Morgan Securities & Credit Pvt.Ltd.as per BIFR SS-08

**20. Other Non current Financial Liabilities**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Security deposits*	16.61	15.83
Lease liability (Refer note 37)	127.23	142.08
<b>Total</b>	<b>143.84</b>	<b>157.91</b>

\*Deposits received from customers are payable on successful completion of terms and conditions attached to deposits.

**21. Non current Provisions**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Provision for Income tax (net of advance tax)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**22. Other non-current liabilities**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Other payables:		
Deferred rent	4.31	5.28
<b>Total</b>	<b>4.31</b>	<b>5.28</b>

**23. Trade Payables**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>For goods and services</b>		
Dues to micro, small and medium enterprises (refer footnote ii)		
Dues to others	138.68	137.73
	<b>138.68</b>	<b>137.73</b>

(i) The Company's exposure to liquidity risk related to trade payables is disclosed in note 34.1

(ii) The Company has requested all its vendors to confirm their status under Micro, Small and Medium Enterprises Development Act, 2006 ('Act'). Based on the confirmations received, there are no amounts due to any micro or small enterprise under the MSMED Act, 2006. Further, the Company's liability towards any interest for delayed payments, if any under the provisions of the Act is not likely to be material.

(iii) Trade payables are non interest bearing and are normally settled in normal trade cycle.

(iv) "Due to others" include Rs. 136.62 lacs (March 31, 2020: Rs. 136.62 lacs) i.e. 20% of Rs. 683.10 lacs as per settlement terms defined in BIFR SS08 towards lease rent payable to M/s Modi Exports Processors Ltd.(MEPL) for the period January, 2002 to September, 2007. Further no liability towards lease rent has been provided after September, 2007 since the premises are sealed by the Official Liquidator of MEPL.

**24. Other Current Financial Liabilities**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term Loans	30.23	42.74
Other payables:		
Employee related payables*	247.80	250.02
Payable for expenses	420.46	482.32
Lease liability (Refer note 37)	14.85	14.60
Security deposits	-	47.05
<b>Total</b>	<b>713.34</b>	<b>836.73</b>

\* Include Rs. 247.80 lacs (March 31, 2020: 249.05 lacs) representing unclaimed liability of some workers towards full and final settlement for all their past dues as per BIFR order.

The Company's exposure to liquidity risk related to payables is disclosed in note 34.1

**25. Other Current Liabilities**

Particulars	(Amount in lacs)	
	As at March 31, 2021	As at March 31, 2020
Escrow account claims adjustable (Refer note 6 a)	-	483.55
Statutory dues*	1,334.02	1,352.95
Deferred rent	0.97	1.56
Provision for gratuity	-	5.03
<b>Total</b>	<b>1,334.99</b>	<b>1,838.06</b>

**\*Footnote:**

(a) include Rs. 1324.50 lacs (March 31, 2020: Rs 1339.52 lacs) which represents the sales tax liability of various State Authorities. The Company had made representations to the States Authorities for giving various relief and concessions in line with BIFR sanctioned scheme. In the opinion of the management, sales tax liability would be reduced as soon as representation of the Company will be heard by various States Authorities. Honourable Allahabad high court vide its order dated 31.07.2017 w.t no 914 of 2015 directed state authorities to provide relief to the company in accordance with the Rehabilitation scheme.

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**26. Revenue From Operations**

Particulars	(Amount in lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Other operating revenues		
Rent income	239.34	406.67
Other income	37.83	82.68
<b>Total</b>	<b>277.17</b>	<b>489.35</b>

**27. Other Income**

Particulars	(Amount in lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on:		
Bank deposits & other bank balance*	796.29	125.88
Loans and advances	3.42	3.42
Interest- others	36.19	25.52
Interest on tax refund	10.68	0.46
Interest on security deposit at amortised cost	1.56	2.99
Dividend income	72.69	62.45
	<b>920.83</b>	<b>220.72</b>
<b>Other non-operating income</b>		
Financial assets measured at fair value	284.14	379.17
Management service charges	40.29	48.26
Net gain on sale of investment	33.87	25.26
Profit on sale of assets	1.96	-
Gain on foreign exchange fluctuation (net)	-	0.01
Liabilities/ provisions no longer required written back	40.06	443.75
Miscellaneous income	9.61	30.06
	<b>409.93</b>	<b>926.51</b>
<b>Total</b>	<b>1,330.76</b>	<b>1,147.23</b>

\* includes interest income amounting to Rs 483.55 lacs (net of Rs 551.91 lacs adjusted against claims settled during earlier years) till 31st March 2020 which was disclosed under "other current liabilities" pursuant to legal opinion obtained by the company. (refer note 14(a), 25 and footnote 3 of Note 41)

**28. Employee Benefits Expense**

Particulars	(Amount in lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and other short term employees benefits	333.09	361.38
Contributions to provident and other funds	31.44	39.56
Staff welfare expenses	48.55	64.47
<b>Total</b>	<b>413.08</b>	<b>465.41</b>

**29. Finance Costs**

Particulars	(Amount in lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on term loan	6.48	8.24
Interest on statutory dues	1.62	3.98
Bank guarantee charges	35.36	26.00
Unwinding of discount on vendor liabilities	1.68	3.62
Interest on lease (refer note 37)	18.51	18.73
<b>Total</b>	<b>63.65</b>	<b>60.57</b>

30. Other Expenses

Particulars	(Amount in lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Communication expenses	14.22	16.91
Travelling expenses	46.95	133.03
Legal and professional fees	393.45	452.11
Demat charges	0.03	-
Bank charges	0.03	0.03
Electricity & water	95.58	126.44
Power & fuel	6.13	9.44
Insurance premium	16.29	13.30
Rent expenses	18.10	13.80
Management Fees	4.32	-
Rates and taxes	38.04	58.65
Security service charges	112.47	125.40
Guest house expenses	3.00	5.38
Office maintenance	31.10	26.83
Repairs & maintenance		
- Buildings	281.28	300.22
- Others	40.50	47.36
Payment to statutory auditors (excluding Goods and Service tax) :		
Audit fee	9.83	9.80
Tax audit fee	1.30	1.26
Other services	0.77	0.86
Reimbursement of expenses	-	1.08
Filing fees	0.01	0.01
Business promotion expenses	12.28	16.72
Donations	-	45.00
General expenses	0.19	0.13
Allowance for bad and doubtful debts	63.62	13.24
Liability paid on settlement	-	20.59
Loss on sale of investment	19.41	-
Sundry balances written off	-	47.33
Fixed assets written off	-	3.48
Miscellaneous expenses	67.84	67.44
<b>Total</b>	<b>1,276.74</b>	<b>1,555.84</b>

**31. Disclosure as per Ind AS 33 on 'Earnings per Share'**

**Basic and diluted earnings per share**

	<b>March 31, 2021</b>	March 31, 2020
Basic and diluted earnings per share (refer footnote a & b) (Rs.)	<b>1.84</b>	(0.93)
Nominal value per share (Rs.)	<b>10</b>	10

**(a) Profit attributable to equity shareholders**

	<b>March 31, 2021</b>	March 31, 2020
Profit/ (loss) for the year (in lacs)	<b>461.59</b>	(233.20)
Profit attributable to equity shareholders	<b>461.59</b>	(233.20)

**(b) Weighted average number of equity shares**

	<b>March 31, 2021</b>	March 31, 2020
Opening balance of issued equity shares (in lacs)	<b>250.41</b>	250.41
Effect of shares issued during the year, if any	-	-
<b>Weighted average number of equity shares for Basic and Diluted EPS</b>	<b>250.41</b>	250.41

At present, the Company does not have any dilutive potential equity shares.

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**Modi Rubber Limited**  
**Notes to financial statements for the year ended March 31, 2021**

**32. Disclosure as per Indian Accounting Standard - 12 on 'Income taxes'**

**(a) Income tax expense**

**i) Income tax recognised in profit or loss**

	(Amount in lacs)	
	March 31, 2021	March 31, 2020
<b>Current tax expense</b>		
Current year	168.91	19.17
Earlier year tax adjustment	(1.57)	99.76
	<u>167.34</u>	<u>118.93</u>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(256.43)	183.70
MAT credit written off	-	-
	<u>(256.43)</u>	<u>183.70</u>
<b>Total income tax expense</b>	<u>(89.09)</u>	<u>302.63</u>

**ii) Income tax recognised in other comprehensive income**

	(Amount in lacs)		
	March 31, 2021		
Particulars	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	31.51	8.19	23.32
- Investment in equity instruments measured at fair value	2,497.65	259.76	2,237.89
- Share of other comprehensive income of joint ventures and associate	(7.95)	-	(7.95)
	<u>2,521.21</u>	<u>267.95</u>	<u>2,253.26</u>
	March 31, 2020		
Particulars	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	(0.84)	(0.22)	(0.62)
- Investment in equity instruments measured at fair value	(447.39)	(46.53)	(400.86)
- Share of other comprehensive income of joint ventures and associate	(0.11)	-	(0.11)
	<u>(448.34)</u>	<u>(46.75)</u>	<u>(401.59)</u>

**iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate**

	(Amount in lacs)	
	March 31, 2021	March 31, 2020
<b>Profit before tax</b>	<u>372.50</u>	69.43
Tax using the Company's domestic tax rate of 26% (March 31, 2020: 26%)	96.85	18.05
Tax effect of:		
Disallowance u/s 8D	0.00	-
Expenses not deductible for income tax purpose	209.97	14.23
Provision for doubtful loan	-	-
Reversal of provision for doubtful loan	-	-
Dividend on shares exempt u/s 10(34)	(520.90)	(467.13)
Interest u/s 10(15) on Central Government Stock-PF Securities	(6.51)	(6.51)
Tax rate difference	109.06	296.44
Earlier year tax adjustment	(20.30)	99.76
Others	299.15	164.08
<b>At the effective income tax rate of 44.92% (March 31, 2020: 37.23%)</b>	<u>167.34</u>	<u>118.93</u>

**33. Fair Value Measurements****(a) Financial instruments by category**

All the financial assets and liabilities viz. deposits for utilities, trade receivables, cash and cash equivalents, other bank balances, interest receivable, recoverable from employees, trade payables, employee related liabilities and payable for expenses, are measured at amortised cost.

**(b) Fair value hierarchy**

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

Level 1: The fair value of financial instruments that are quoted in active markets are determined on the basis of quoted price for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques based on observable market data.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). Fair value of investment in unquoted equity shares is determined using discounted cash flow technique.

There are no transfers between different fair value hierarchy levels in 2020-21 and 2019-20.

<b>(Amount in Lacs)</b>			
<b>Liabilities which are measured at amortised cost for which fair values are disclosed</b>	<b>Particulars</b>	<b>March 31, 2021</b>	March 31, 2020
<b>Financial liabilities:</b>			
Security deposits received	Carrying value	<b>22.81</b>	48.37
Security deposits received	Fair Value	<b>16.61</b>	40.50

The fair values for security deposits received from employees and security deposit for utilities were calculated based on cash flows discounted using a current fixed deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

<b>(Amount in Lacs)</b>			
<b>Financial Assets at fair value through profit or loss</b>	<b>Particulars</b>	<b>March 31, 2021</b>	March 31, 2020
<b>Financial assets:</b>			
Investment in Mutual Funds	Carrying value	<b>7,084.03</b>	5,863.53
Investment in Mutual Funds	Fair Value	<b>7,838.82</b>	6,431.39

<b>(Amount in Lacs)</b>			
<b>Financial Assets at fair value through other comprehensive income</b>	<b>Particulars</b>	<b>March 31, 2021</b>	March 31, 2020
<b>Financial assets:</b>			
Investment In Equity Instruments	Carrying value	<b>87.86</b>	87.86
Investment In Equity Instruments	Fair Value	<b>4,742.41</b>	2,244.77
Investment In Preference shares	Carrying value	<b>2,510.82</b>	2,510.82
Investment In Preference shares	Fair Value	<b>2,510.82</b>	2,510.82

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### 34.1 Financial Risk Management

In the course of its business, the Company is exposed to a number of financial risks: liquidity risk, credit risk, market risk. This note presents the Company's objectives, policies and processes for managing its financial risk and capital.

#### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

#### Investments

The Company has made investments in tax free long term bonds, deposit with banks, mutual funds etc. Funds are invested in accordance with the Company's established investment policy that includes parameters of safety, liquidity and post tax returns.

#### Trade receivables

The activities of the company primarily include rental income. The invoices raised to customers immediately falls due for payment after the credit period allowed to customers. Refer Note 38 on disclosure on related party transactions with respect to amount outstanding as at reporting date.

Credit risk arising from trade receivables is managed in accordance with the Management control and approval procedure. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc.

#### Other financial assets

Other financial assets include employee loans, security deposits etc. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default. The Company's maximum exposure to credit risk for each of the above categories of financial assets is their carrying values as at the reporting dates.

#### (i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	(Amount in Lacs)	
	March 31, 2021	March 31, 2020
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Long term security deposits	16.23	16.03
Other long term financial assets	1,337.52	4,100.17
Cash and cash equivalents	106.84	616.25
Other bank balances	200.00	200.00
Short term loans & advances	180.75	84.98
Other short term financial assets	3,053.76	15.84
	4,895.10	5,033.27
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade receivables	79.03	68.59
	79.03	68.59

Based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of any asset as the amount are insignificant.

#### Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Ageing as at March 31, 2021	(Amount in Lacs)							Total
	Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	360-720 days past due	More than 720 days past due	
Gross carrying amount	-	72.46	32.51	6.70	10.42	27.81	397.24	547.14
Ageing as at March 31, 2020	Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	360-720 days past due	More than 720 days past due	Total
Gross carrying amount	-	60.37	2.47	3.43	13.54	5.17	388.08	473.07

## 34.1 Financial Risk Management (contd...)

## Liquidity risk

Liquidity risk refers to risk that the Company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled in cash or other financial assets. The Company regularly monitors the rolling forecasts to ensure that sufficient liquidity is maintained on an ongoing basis to meet operational needs. The Company manages the liquidity risk by planning the investments in a manner such that the desired quantum of funds could be made available to meet any of the business requirements within a reasonable period of time. In addition, the Company also maintains flexibility in arranging the funds by maintaining committed credit lines with various banks to meet the obligations.

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

**March 31, 2021** (Amount in Lacs)

Contractual maturities of financial liabilities	Fair Value	Contractual cash flows		
		Less than one year	Beyond one year	Total
<b>Non-derivative financial liabilities</b>				
Borrowings	291.74	30.23	261.51	291.74
Security deposits received	16.61	16.61	-	16.61
Lease liability	142.08	14.85	127.23	142.08
Employee related liabilities	247.80	247.80	-	247.80
Payable for expenses	420.46	420.46	-	420.46
Trade payables	138.68	138.68	-	138.68
	<b>1,257.37</b>	<b>868.63</b>	<b>388.74</b>	<b>1,257.37</b>

**March 31, 2020** (Amount in Lacs)

Contractual maturities of financial liabilities	Fair Value	Contractual cash flows		
		Less than one year	Beyond one year	Total
<b>Non-derivative financial liabilities</b>				
Borrowings	334.48	42.74	291.74	334.48
Security deposits received	62.88	15.83	47.05	62.88
Lease liability	156.68	14.60	142.08	156.68
Employee related liabilities	250.02	250.02	-	250.02
Payable for expenses	482.32	482.32	-	482.32
Trade payables	137.73	137.73	-	137.73
	<b>1,424.11</b>	<b>943.24</b>	<b>480.87</b>	<b>1,424.11</b>

### 34.1 Financial Risk Management (contd...)

#### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

#### Interest Rate Risk

Interest rate risk refers to risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates. The Company is not exposed to any significant interest rate risk as its investments are primarily in fixed rate instruments. Also, there are no significant borrowings as at the balance sheet date.

#### Price Risk

Price risk refers to risk that the fair value of a financial instrument may fluctuate because of the change in the market price. The Company is exposed to the price risk mainly from investment in mutual funds and investment in equity instruments. Investment in mutual funds are made primarily in units of liquid funds and are not exposed to significant price risk.

#### Foreign Currency Risk

Foreign currency risk refers to risk that the fair value of future cash flows of an exposure may fluctuate due to change in the foreign exchange rates. The Company is not exposed to foreign currency risk as it is not having any transactions in foreign currency.

### 35. Capital Management

The Company manages its capital to ensure that it will be able to continue as a Going Concern while maximising the return to stakeholders. The Company has minimum dependence on external debts and operates mainly through internal accruals. Capital includes equity share capital and other equity reserves.

### 36. Corporate Social Responsibility ('CSR')

i) Gross amount required to be spent by the company during the year Rs Nil (March 31, 2020: Rs. Nil)

ii) Amount Spent during the:

	2020-21			2019-20		
	Paid	Paid and yet to be paid	Total	Paid	Paid and yet to be paid	Total
Construction /acquisition of any asset	-	-	-	-	-	-
On purpose other than (i) above	-	-	-	-	-	-

### 37. Leases

The company has adopted modified approach as per para C8(b)(ii) of Ind AS 116 - Leases to its leases, effective from annual reporting period beginning 1st April 2019. This has resulted in recognizing a right of use assets (an amount equal to lease liability, adjusted by the prepaid lease rent) of Rs.171.08 lacs as at 1st April 2019.

The details of the right-of-use assets held by the Company is as follows:

S.No	Description of Asset	Additional for the year ended March 31st, 2020	Addition during the year	Gross Block as at March 31st, 2021	Depreciation charged till March 31st, 2020	Depreciation for the year	Net Carrying value as at March 31st, 2020	Net Carrying value as at March 31st, 2021
1	Buildings	171.07	-	171.07	22.09	22.10	148.98	126.88

- Interest on lease liabilities is Rs 18.51 lacs and Rs 18.73 lacs for the years ended March 31, 2021 and 2020, respectively.
- The Company incurred Rs 13.78 lacs and Rs 13.80 lacs for the years ended March 31, 2021 and 2020, respectively, towards expenses relating to short-term leases and leases of low-value assets.
- The total cash outflow for leases is Rs 46.90 lacs and Rs 46.92 lacs for the years ended March 31, 2021 and 2020, respectively, including cash outflow for short-term and low-value leases.



**Modi Rubber Limited**  
**Notes to financial statements for the year ended March 31, 2021**

**38 Consolidated Related Parties Disclosures in accordance with Indian Accounting Standard (Ind AS) 24 of The Institute of Chartered Accountants of India.**

<b>A) Subsidiary Companies</b>	<b>% Holdings</b>
i) Modistone Ltd. (in liquidation) Official Liquidator has taken possession of the Company w.e.f. 25.07.2002- the date of appointment of Official Liquidator by Bombay High Court	55.32
ii) Superior Investment (India) Ltd.	100
iii) Spin Investment (India) Ltd	100
<b>B) Joint Venture</b>	
Gujarat Guardian Ltd.	21.24
Asahi Modi Materials Pvt. Ltd.	49.00
Modi Marco Aldany Pvt Ltd	50.00
<b>C) Associate</b>	
Vinura Beverages Pvt. Ltd. (An Associate of a wholly owned subsidiary)	
<b>D) Key Management Personnel:</b>	
Mr. Alok Kumar Modi-Managing Director Miss Piya Modi-Whole Time Director Mr. Sanjeev Kumar Bajpai-Company Secretary Mr. Kamal Gupta-Chief Financial Officer (CFO)	
<b>E) Relatives of Key Management Personnel</b>	
Mr. Vinay Kumar Modi (Father of Mr. Alok Kumar Modi) Mrs. Chander Bala Modi (Mother of Mr. Alok Kumar Modi) Mrs. Archana Singhania (Sister of Mr. Alok Kumar Modi) Mrs. Ritika Modi (Wife of Mr. Alok Kumar Modi)	
<b>F) Enterprises in which Key Management Personnel and relatives of Key Management Personnel has significant influence</b>	
Leaf Investment Pvt. Ltd. Mod Fashions and Securities Pvt. Ltd Uniglobe Mod Travels Pvt. Ltd Uniglobe Travel (South Asia) Pvt. Ltd Maple Bear Education Pvt. Ltd.	
<b>G) Transaction with Related Parties</b>	
<b>The following transactions was carried out with related parties in the ordinary course of business:</b>	

S.No.	Particulars	Subsidiaries		Joint Controlled Entities		Associates		Enterprise under significant influence of Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
A)	<b>Expenses recovered</b>														
	Gujarat Guardian Ltd	-	-	-	2.58	-	-	-	-	-	-	-	-	-	2.58
	Modi Marco Aldany Pvt Ltd	-	-	-	3.22	-	-	-	-	-	-	-	-	-	3.22
	Mod Fashions and Securities Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Uniglobe Mod Travels Pvt. Ltd.	-	-	-	-	-	-	-	12.81	-	-	-	-	-	12.81
	Maple Bear Education Pvt. Ltd.	-	-	-	-	-	-	-	11.39	-	-	-	-	-	11.39
	Uniglobe Travel (South Asia) Pvt. Ltd.	-	-	-	-	-	-	-	3.01	-	-	-	-	-	3.01
	<b>Sub-Total</b>	-	-	-	<b>5.80</b>	-	-	-	<b>27.21</b>	-	-	-	-	-	<b>33.01</b>

**Modi Rubber Limited**  
**Notes to financial statements for the year ended March 31, 2021**

B)	<b>Expenses incurred</b>														
	Asahi Modi Materials Pvt. Ltd.	-	-	9.09	11.25	-	-	-	-	-	-	-	-	9.09	11.25
	Mod Fashions and Securities Pvt. Ltd.	-	-	-	-	-	-	15.96	15.96	-	-	-	-	15.96	15.96
	Uniglobe Mod Travels Pvt. Ltd.	-	-	-	-	-	-	2.74	80.13	-	-	-	-	2.74	80.13
	<b>Sub-Total</b>	-	-	<b>9.09</b>	<b>11.25</b>	-	-	<b>18.70</b>	<b>96.09</b>	-	-	-	-	<b>27.79</b>	<b>107.34</b>
C)	<b>Rent Income</b>														
	Gujarat Guardian Ltd	-	-	-	4.29	-	-	-	-	-	-	-	-	-	4.29
	Modi Marco Aldany Pvt Ltd	-	-	-	9.00	-	-	-	-	-	-	-	-	-	9.00
	Maple Bear Education Pvt. Ltd.	-	-	-	-	-	-	38.10	38.46	-	-	-	-	38.10	38.46
	Uniglobe Travel (South Asia) Pvt. Ltd.	-	-	-	-	-	-	10.80	10.80	-	-	-	-	10.80	10.80
	Uniglobe Mod Travels Pvt. Ltd.	-	-	-	-	-	-	8.18	15.00	-	-	-	-	8.18	15.00
	<b>Sub-Total</b>	-	-	-	<b>13.29</b>	-	-	<b>57.08</b>	<b>64.26</b>	-	-	-	-	<b>57.08</b>	<b>77.55</b>
D)	<b>Management Service Charges Income</b>														
	Asahi Modi Materials Pvt. Ltd.	-	-	40.29	48.26	-	-	-	-	-	-	-	-	40.29	48.26
	<b>Sub-Total</b>	-	-	<b>40.29</b>	<b>48.26</b>	-	-	-	-	-	-	-	-	<b>40.29</b>	<b>48.26</b>
E)	<b>Dividend received</b>														
	Gujarat Guardian Ltd	-	-	1,967.65	1,734.20	-	-	-	-	-	-	-	-	1,967.65	1,734.20
F)	<b>Investment Made during the year</b>														
	Modi Marco Aldany Pvt Ltd	-	-	-	227.41	-	-	-	-	-	-	-	-	-	227.41
	Uniglobe Mod Travels Private Limited	-	-	-	-	-	-	-	145.31	-	-	-	-	-	145.31
	Vinura Beverages Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total</b>	-	-	-	<b>227.41</b>	-	-	-	<b>145.31</b>	-	-	-	-	-	<b>372.72</b>
G)	<b>Loan and advances given</b>														
	Modi Marco Aldany Pvt Ltd	-	-	105.00	58.00	-	-	-	-	-	-	-	-	105.00	58.00
H)	<b>Loan and advances received back</b>														
	Modi Marco Aldany Pvt Ltd	-	-	9.00	40.00	-	-	-	-	-	-	-	-	9.00	40.00
I)	<b>Interest income</b>														
	Modi Marco Aldany Pvt Ltd	-	-	11.47	0.49	-	-	-	-	-	-	-	-	11.47	0.49
	Uniglobe Travel (South Asia) Pvt. Ltd.	-	-	-	-	-	-	-	3.42	-	-	-	-	-	3.42
	Vinura Beverages Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Uniglobe Mod Travels Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total</b>	-	-	<b>11.47</b>	<b>0.49</b>	-	-	-	<b>3.42</b>	-	-	-	-	<b>11.47</b>	<b>3.91</b>
J)	<b>Remuneration paid</b>														
		-	-	-	-	-	-	-	-	139.13	131.96	-	-	139.13	131.96
K)	<b>Sitting fee-Directors</b>														
		-	-	-	-	-	-	-	-	2.10	2.05	-	-	2.10	2.05
L)	<b>Receivable at the year end</b>														
	Gujarat Guardian Ltd	-	-	-	1.36	-	-	-	-	-	-	-	-	-	1.36
	Asahi Modi Materials Pvt. Ltd.	-	-	39.70	22.89	-	-	-	-	-	-	-	-	39.70	22.89
	Modi Marco Aldany Pvt Ltd	-	-	11.99	30.26	-	-	-	-	-	-	-	-	11.99	30.26
	Vinura Beverages Pvt. Ltd.	-	-	-	-	6.27	6.27	-	-	-	-	-	-	6.27	6.27
	Uniglobe Mod Travels Pvt. Ltd.	-	-	-	-	-	-	76.33	89.13	-	-	-	-	76.33	89.13
	Maple Bear Education Pvt. Ltd.	-	-	-	-	-	-	54.21	12.11	-	-	-	-	54.21	12.11
	Uniglobe Travel (South Asia) Pvt. Ltd.	-	-	-	-	-	-	280.81	268.90	-	-	-	-	280.81	268.90
	Mr. Alok Kumar Modi	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Miss Piya Modi	-	-	-	-	-	-	-	-	0.00	-	-	-	0.00	-
	<b>Sub-Total</b>	-	-	<b>51.69</b>	<b>54.51</b>	<b>6.27</b>	<b>6.27</b>	<b>411.36</b>	<b>370.15</b>	<b>0.00</b>	-	-	-	<b>469.33</b>	<b>430.93</b>
M)	<b>Payable at the quarter end</b>														
	Mod Fashions and Securities Pvt. Ltd.	-	-	-	-	-	-	-	5.75	-	-	-	-	-	5.75
	Mr. Alok Kumar Modi	-	-	-	-	-	-	-	-	0.20	0.00	-	-	0.20	0.00
	Miss Piya Modi	-	-	-	-	-	-	-	-	-	0.00	-	-	-	0.00
	<b>Sub-Total</b>	-	-	-	-	-	-	-	<b>5.75</b>	<b>0.20</b>	<b>0.00</b>	-	-	<b>0.20</b>	<b>5.75</b>

\* Only material transactions are covered

39 Gratuity and other post-employment benefit plans

Contribution for Employees Benefit:

**Defined Contribution Plans**

Provident Fund  
State Defined Contribution Plans  
- Employees Pension Scheme 1995

i **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 concerned Provident Fund Authorities. The company has no liability to Fund the shortfall in the interest over the statutory rate declared by the Government.

The Company has recognized the following amounts in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2021

Particulars	(Amount in Lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Contribution to Provident Fund	20.54	21.37
Contribution to Employee Pension	2.94	2.96

ii **Defined benefit plan( 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. The present value of Defined Benefit Obligation is calculated annually by an independent actuary using the projected unit credit method.

Particulars	(Amount in Lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Funded Status of the Plan</b>		
Present value of unfunded obligations	-	-
Present value of funded obligations	212.57	224.53
Fair value of plan assets	235.33	219.50
<b>Net Liability (Asset)</b>	<b>(22.76)</b>	<b>5.03</b>

Particulars	(Amount in Lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A Statement of Profit and Loss</b>		
Current service cost	8.69	7.41
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	0.07	(0.44)
<b>Total included in 'Employee Benefit Expense'</b>	<b>8.76</b>	<b>6.97</b>
Expenses deducted from the fund	-	-
<b>Total Charge to P&amp;L</b>	<b>8.76</b>	<b>6.97</b>
<b>Other Comprehensive Income</b>		
Due to Change in financial assumptions	3.40	4.09
Due to Change in demographic assumption	-	0.19
Due to experience adjustments	(30.08)	2.08
Return on plan assets excluding amounts included in interest income	(4.83)	(5.53)
<b>Amounts recognized in Other Comprehensive Income</b>	<b>(31.51)</b>	<b>0.83</b>

Particulars	(Amount in Lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>B Reconciliation of Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	224.53	217.56
Current service cost	8.68	7.41
Interest cost	10.15	12.11
Actuarial loss / (gain) due to change in financial assumptions	3.40	4.09
Actuarial loss / (gain) due to change in demographic assumptions	-	0.19
Actuarial loss / (gain) due to experience assumptions	(30.08)	2.08
Past Service Cost	-	-
Benefits Paid	(4.11)	(18.91)
Benefits Payable	-	-
<b>Closing Defined Benefit Obligation</b>	<b>212.57</b>	<b>224.53</b>

(Amount in Lacs)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>C Reconciliation of Plan Assets</b>		
Opening Value of Plan Assets	219.50	220.34
Expenses deducted from the fund	-	-
Interest Income	10.08	12.54
Return on plan assets excluding amounts included in interest income	4.84	5.53
Contributions by employer	5.02	-
Benefits paid	(4.11)	(18.91)
<b>Closing Value of Plan Assets</b>	<b>235.33</b>	<b>219.50</b>

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>D Principle Actuarial Assumptions</b>		
Discount Rate	5.60%	5.45%
Salary Growth Rate	7.00%	7.00%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Rate of return on Plan Assets	-	-

(Amount in Lacs)		
Particulars	Cashflows	Distribution (%)
<b>E Expected cash flows based on past service liability</b>		
The following payments are maturity profile of Defined Benefit Obligation:		
2022	36.37	31.00%
2023	31.55	26.90%
2024	1.17	1.00%
2025	1.18	1.00%
2026	1.02	0.90%
2027-2031	20.83	17.70%

(Amount in Lacs)		
Particulars	Amount of DBO	Change in DBO (%)
<b>F Sensitivity to key assumptions</b>		
Discount rate varied by 0.5%		
0.50%	211.03	-0.73%
-0.50%	214.22	0.78%
Salary growth rate varied by 0.5%		
0.50%	213.39	0.38%
-0.50%	211.80	-0.37%
Withdrawal rate varied by 0.5%		
W.R * 110%	212.80	0.10%
W.R * 90%	212.31	-0.13%

**A description of methods used for sensitivity analysis and Limitations:**

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

(Amount in Lacs)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>40 Expenditure in foreign currency:-</b>		
Travelling Expenses	25.3	29.37

(Amount in Lacs)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>41 Contingent Liabilities</b>		
Guarantees/Bonds (Unconfirmed)	1,300.00	1,300.00
Excise /Customs /DGFT Matters	907.82	907.82
Unsecured Creditors	531.87	531.87
Workers and Employees	6,644.49	6,644.49
Income Tax Act	1,322.11	1,290.00
Others	3,136.02	3,136.02
<b>TOTAL</b>	<b>13,842.31</b>	<b>13,810.20</b>

**Note 1** - In view of large number of cases, it is not practicable to disclose individual details. Above amounts are affected by numerous uncertainties and timing of economic benefit outflow will depend upon timing of decision of these cases.

**Note 2** - On the basis of current status of individual case and as per legal advice obtained by the Company, wherever applicable. The Company is confident of winning the above cases and is of the view that no further provision required in respect of these cases.

**Note 3** - The above amount includes contingent liability amounting to Rs 8,335.97 lacs which may arise pursuant to Share Purchase Agreement dated July 15, 2011, entered between the Company & Continental India Limited, (refer footnote (a) to note 14 of the financial statements).

- 42 Post sanction of Rehabilitation Scheme under the provisions of SICA by BIFR on 21.04.2008, the Company had given full effect of the scheme from cut off date in the books of accounts assuming that the relief and concessions as given to the company in the scheme would be accepted by all the concerned parties/creditors.
- 43 BIFR vide its order dated 23.02.2010 discharged the company from the purview of SICA/ BIFR upon turning net worth positive as at 31.03.2009, with the direction that the unimplemented portion of rehabilitation scheme (SS08) for the unexpired period of the Scheme would be implemented by the concerned agencies and their implementation would be monitored by the company. Some of the authorities/parties have not accepted terms of settlement and relief & concessions as provided in SS08. The Company has filed a status report on the unimplemented portion of the Rehabilitation Scheme as at September 30th, 2016 with BIFR on 20/10/2016. Further Government of India (GOI) vide its Gazette notification dated 25/11/2016 repealed SICA w.e.f 01/12/2016 by passing the Sick Industrial Companies (Special provisions) Repeal Act, 2003. All proceedings pending in BIFR/ AAIFR would now stand abated and a time period of 180 days have been given to all applicants to approach National Company Law Tribunal (NCLT) and to get appropriate relief under Insolvency and Bankruptcy Code, 2016. Further all schemes sanctioned by BIFR are saved and would continue to be enforceable by NCLT.
- 44 Land & Building at Modi Tyre Factory (MTF), Modinagar is on perpetual lease taken from Modi Export Processors Ltd. (MEPL) which has been liquidated by the order of Hon'ble Allahabad High Court. Pursuant to Allahabad High Court Order possession of the MTF is with the Official Liquidator of MEPL. Company has taken appropriate legal recourse for getting possession back of MTF from Official Liquidator for carrying out industrial activities in terms of BIFR Order dated 21.04.2008. After possession, Company shall take necessary steps as required
- 45 In accordance with IND AS 108 - Operating Segment used to present the segment information are identified on the basis of informal report used by the Company to allocate resource to the segment and assess their performance. The Board of Directors of the Company is collectively Chief Operating Decision Maker (CODM).The Company is engaged in Renting of immovable property which in the context of Ind AS 108 "Operating Segment" is considered as the only segment. The Company's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.
- 46 The Company subsidiary company "Spin Investment Limited has made investments of Rs.2510.82 lacs (hereinafter together referred as "Exposure") in "Uniglobe Mod Travels Private Limited" which is a group Company. The company's management has made an assessment that considering the long term and strategic nature of investment, impairment in the value of investments due to erosion in the network of the investee entity is considered temporary and accordingly there is no need to make impairment/provision against the same at this stage.
- 47 The Company subsidiary company "Spin Investment Limited" has made investments of Rs.285.86 lacs and has given loans and advances of Rs. 4.66 lacs (inclusive of interest) aggregating to Rs.290.52 lacs (hereinafter together referred as "Exposure" in its associate company " Vinura Beverages Private Limited" of which net worth has substantially eroded. In view of the prudence concept, the company has provided provision amounting to Rs 290.19 lacs against outstanding exposure as at 31st March 2021.
- 48 The company's subsidiary company "Superior Investment Limited" has made default towards filing of annual returns with registrar of the company for the year ended 31st March 2019 and 31st March 2020. The management is in the process of regularising the default made from appropriate authority in due course and hence, no provision for any consequential liability is required to be made at this stage.
- 49 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company has, at the date of approval of these financial statements, used internal and external sources of information and economic forecasts and expects that the carrying amount of these assets will be recovered.
- 50 Balances of certain payables for expenses, employees related payables and loans & advance are subject to confirmation / reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation / adjustments.

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51 Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

i As required under Schedule III to the Companies Act, 2013:-

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities (As at March 31, 2021)		Share in total comprehensive income* Year ended March 31, 2021	
	As % of Consolidated net assets	Amount Rs. Lacs	As % of Consolidated profit or loss	Amount Rs. Lacs
<b>A. Parent</b>				
Modi Rubber Limited	32.09%	13,922.46	22.84%	619.96
<b>B. Subsidiaries</b>				
Spin Investment (India) Limited	22.88%	9,925.36	33.80%	917.71
Superior Investment (India) Limited	1.73%	750.73	1.66%	45.01
<b>Total B</b>	<b>24.61%</b>	<b>10,676.09</b>	<b>35.46%</b>	<b>962.72</b>
<b>C. Joint Ventures</b>				
Asahi Modi Material Pvt. Ltd	3.94%	1,707.75	2.21%	60.10
Gujarat Guardian Ltd.	39.36%	17,078.08	44.34%	1,203.88
Modi Marco Aldany Pvt Ltd	0.00%	-	-3.74%	(101.44)
<b>Total C</b>	<b>43.30%</b>	<b>18,785.83</b>	<b>42.82%</b>	<b>1,162.54</b>
<b>D. Associate</b>				
Vinura Beverages Private Limited	0.00%	-	-1.12%	(30.36)
<b>Total (A+B+C+D)</b>	<b>100.00%</b>	<b>43,384.38</b>	<b>100.00%</b>	<b>2,714.86</b>

ii Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

**PART "A": SUBSIDIARIES** (Amount in lacs)

S.No.	Particulars	1	2
1	Serial Number		
2	Name of Subsidiary	Spin Investment (India) Limited	Superior Investment (India) Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.
5	Share capital	29.92	29.92
6	Reserves & surplus	9,925.36	750.73
7	Total assets	9,957.65	784.89
8	Total liabilities	2.37	4.24
9	Investments	9,605.14	753.69
10	Turnover	147.20	54.39
11	Profit/ (loss) before taxation	(214.36)	13.05
12	Provision for taxation	82.32	2.27
13	Profit/ (Loss) after taxation	(296.68)	10.78
14	Proposed dividend	Nil	Nil
15	% of shareholding	100%	100%

**PART "B": Joint Venture & Associates**

(Amount in lacs)

S.No	Particulars	Asahi Modi Materials Private Limited	Gujarat Guardian Limited	Modi Marco Aldany Private Limited	Vinura Beverages Private Limited
1	Name of Associates/ Joint Ventures				
2	Latest Balance Sheet date (Management Approved)	31/03/2021	31/03/2021	31/03/2021	31/03/2021
3	Shares of Associate/ Joint Ventures held by the company at the year end				
	i) No. of shares (in numbers)	14,700,000	33,350,000	3,327,187	299,900
	ii) Amount of investment in Associates/ Joint Venture	1,470.00	3,335.00	332.72	29.99
	iii) Extent of Holding (%)	49%	21.24%	50%	49.98%
4	Description of how there is significant influence	Due to Joint control and % of share capital/ voting power	Due to Joint control and % of share capital/ voting power	Due to Joint control and % of share capital/ voting power	Due to significant influence and % of share capital/ voting power
5	Reason why the associate/ joint venture is not consolidated	NA	NA	NA	NA
6	Net worth attributable to shareholding as per latest audited Balance Sheet	1,513.55	17,078.08	(370.87)	(110.80)
7	Profit/ (Loss) for the year				
	i) Considered in Consolidation	65.69	1,210.31	-	-
	ii) Not Considered in Consolidation	77.50	4,487.47	(244.39)	1.16

**Modi Rubber Limited****Notes to Consolidated Financial Statements for the year ended March 31, 2021****52 Interest in joint venture and associates**

The Group has a 49% interest in Asahi Modi Materials Private Limited, a joint venture involved in the manufacture of Resin Coated Sand in India.

The Group has a 21.24% interest in Gujarat Guardian Limited, a joint venture involved in the production of float glass and mirror.

The Group has a 50% interest in Modi Marco Aldany Private Limited, a joint venture involved in the operating of salon outlets (company owned and franchisee owned outlets), training academy and sale of beauty products.

The Group has a 49.98% interest in Vinura Beverages Private Limited, an associate involved in the trading of beverages.

The Group's interest in the above joint ventures and associate is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint ventures and associate (based on its Ind AS financial statements) and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

**Summarised balance sheet:****(Amount in Lacs)**

Particulars	Asahi Modi Materials Private Limited		Gujarat Guardian Limited		Modi Marco Aldany Private Limited*		Vinura Beverages Private Limited	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Non-current assets	2,415.75	2,793.35	64,241.68	67,930.91	151.01	275.71	47.07	44.54
Current assets	1,616.97	1,421.11	31,867.55	31,129.88	93.39	134.91	0.70	0.56
Non-current liabilities	-	(14.29)	(6,261.35)	(5,658.11)	(4.68)	(3.19)	(6.50)	(6.62)
Current liabilities	(943.83)	(1,233.91)	(9,449.92)	(9,409.12)	(234.83)	(160.74)	(7.08)	(6.31)
Equity	3,088.89	2,966.26	80,397.96	83,993.56	4.89	246.69	34.19	32.17
Share application money pending allotment	-	-	-	-	-	-	-	-
Investment in non cumulative optionally convertible preference shares on which control has not been acquired.	-	-	-	-	(86.00)	(86.00)	(255.87)	(255.87)
Investment in partly paid shares on which control has not been acquired.	-	-	-	-	(660.63)	(660.63)	-	-
<b>Net assets excluding share application money pending allotment</b>	<b>3,088.89</b>	<b>2,966.26</b>	<b>80,397.96</b>	<b>83,993.56</b>	<b>(741.74)</b>	<b>(499.94)</b>	<b>(221.68)</b>	<b>32.17</b>
Proportion of the Group's ownership	<b>49.00%</b>	49.00%	<b>21.24%</b>	21.24%	<b>50.00%</b>	50.00%	<b>49.98%</b>	49.98%
Group's share in net assets	1,513.55	1,453.47	17,078.08	17,841.85	(370.87)	(249.97)	(110.80)	16.08
Goodwill	194.20	194.20	-	-	29.49	29.49	29.99	29.99
Carrying amount of the investment	1,707.75	1,647.67	17,078.08	17,841.85	-	29.49	-	30.35

Modi Rubber Limited  
Notes to Consolidated Financial Statements for the year ended March 31, 2021

Summarised statement of profit and loss:

(Amount in Lacs)

Particulars	Asahi Modi Materials Private Limited		Gujarat Guardian Limited		Modi Marco Aldany Private Limited*		Vinura Beverages Private Limited	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Revenue	3,293.70	3,981.01	54,951.15	63,541.88	34.06	255.80	-	-
Other income	25.33	12.06	2,668.00	3,388.40	0.60	4.55	2.76	3.05
Excise duty on sales	-	-	-	-	-	-	-	-
Cost of raw materials and components consumed	(1,434.61)	(1,770.18)	(16,681.58)	(22,158.75)	-	-	-	-
Purchase of stock in trade	-	-	(305.51)	(1,871.00)	(2.16)	(18.57)	-	-
Changes in inventories of stock in trade/finished goods	16.49	(44.24)	(1,320.27)	(189.83)	(2.85)	(2.56)	-	-
Depreciation & amortization	(394.20)	(350.21)	(3,878.21)	(4,038.24)	(70.00)	(117.45)	(0.02)	(0.02)
Finance cost	-	-	(38.88)	(47.73)	(11.25)	(0.56)	(0.59)	(0.59)
Employee benefit	(278.30)	(286.00)	(6,303.48)	(6,031.24)	(65.11)	(206.07)	-	-
Other expense	(1,047.25)	(1,396.55)	(21,533.65)	(26,365.54)	(129.13)	(459.64)	(0.25)	(4.27)
<b>Profit before tax</b>	<b>181.16</b>	<b>145.89</b>	<b>7,557.56</b>	<b>6,227.95</b>	<b>(245.85)</b>	<b>(544.50)</b>	<b>1.90</b>	<b>(1.83)</b>
Income tax expense	47.10	2.47	(1,822.38)	(1,555.00)	-	-	0.41	(0.12)
Profit for the year	134.06	143.42	5,735.19	4,672.95	(245.85)	(544.50)	2.31	(1.95)
Other comprehensive income	-	(0.23)	(37.41)	-	1.45	5.42	-	-
<b>Total comprehensive income for the year</b>	<b>134.06</b>	<b>143.19</b>	<b>5,697.78</b>	<b>4,672.95</b>	<b>(244.39)</b>	<b>(539.08)</b>	<b>2.31</b>	<b>(1.95)</b>
<b>Group's share of profit for the year</b>	<b>65.69</b>	<b>70.29</b>	<b>1,218.26</b>	<b>992.62</b>	<b>(122.20)</b>	<b>(269.54)</b>	<b>1.16</b>	<b>(0.97)</b>
<b>Group's share of other comprehensive income</b>	<b>-</b>	<b>(0.11)</b>	<b>(7.95)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*The Group have invested in Modi Marco Aldany Private Limited (Joint Venture) which is incurring cash losses on year to year basis and has significant accumulated losses as at 31st March 2021. The business of the joint venture has further impacted due to impact of COVID-19 resulting in shutting down of multiple operational stores. Given effect to same and in view of the prudence concept the group have adjusted the investment to the extent of its share in accumulated losses of joint venture as at 31st March 2021 amounting to Rs 748.54 lacs.



**Modi Rubber Limited**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2021**

**Contingent liabilities and commitments in respect of joint ventures**

Particulars	(Amount in lacs)	
	31-Mar-21	31-Mar-20
Claims made by workmen	25.71	20.60
Disputed Income Tax Matters	1,422.72	451.92
Sales Tax	-	143.54
Disputed Excise Matters	238.81	589.19
Demand raised by GIDC towards Infrastructure fund	54.30	40.46
Pending Labour case before High Court	Not Ascertainable	Not Ascertainable
Others	32.48	35.61
Guarantee given by bank on behalf of the Company	-	371.73
Capital Commitments-Estimated value of contracts in capital account remaining to be executed & not provided for Tangible Assets	-	23.57

53 Previous year figures have been regrouped/ reclassified wherever necessary, to conform to this year's classification.

The accompanying notes 1 to 53 form an integral part of these financial statements.

For and on behalf of the Board of Directors of  
**Modi Rubber Limited**

As per our Report Attached

**For Suresh Surana & Associates LLP**  
(Firm Registration No. 121750W/W-100010)  
Chartered Accountants

Alok Modi (DIN: 00174374)  
**Managing Director**

S.K. Bajpai (ACS: 10110)  
**Head- Legal & Company Secretary**

Ravinder Pal Singh  
Partner  
Membership No.: 090988

Piya Modi (DIN: 03623417)  
**Director**

Kamal Gupta  
**Chief Financial Officer**

Amrit Kapur (DIN: 00508710)  
**Director**

Place: New Delhi  
Date: 30th June 2021

Place : New Delhi/ Ghaziabad/ Dubai