

MODISON
METALS LIMITED

ANNUAL REPORT: 2010-2011

ANNUAL REPORT: 2010-11

MODISON
METALS LIMITED

BOARD OF DIRECTORS:

RANJAN DASGUPTA – Chairman

G. L. MODI - Managing Director

S. M. MODY – Resigned w.e.f. 06.10.2010

SURESH MODY

RAJKUMAR MODI - Wholetime Director

SHRAVAN SHARMA

SATISH MODY

R. A. GOENKA

ANIL LOHIA

B.B. SINGH

AUDITORS:

M/s. M. L. BHUWANIA & CO.
CHARTERED ACCOUNTANTS
F-11, 3rd Floor, Manek Mahal
90, Veer Nariman Road
Churchgate
Mumbai – 400 020.

BANKERS:

BANK OF INDIA

CITIBANK N.A.

REGISTERED & HEAD OFFICE:

33 Nariman Bhavan
227 Nariman Point
MUMBAI – 400021

MODISON METALS LIMITED

Regd. Office : 33 Nariman Bhavan, 227 Nariman Point, MUMBAI - 400 021

NOTICE

Notice is hereby given that the **Twenty-Eighth Annual General Meeting** of Modison Metals Limited will be held at **Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai – 400005** on **26th July 2011** at **11.30 A.M.**, to transact the following business:

ORDINARY BUSINESS:

Adoption of Directors' Report and Accounts

1. To receive and adopt the audited Balance Sheet as at 31st March 2011, Profit and Loss Account for the year ended on that date with the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint Director in place of Mr. R.A. Goenka who retires from office by rotation and being eligible offers himself for reappointment.
4. To appoint Director in place of Mr. Anil Lohia who retires from office by rotation and being eligible offers himself for reappointment.
5. To appoint Director in place of Mr. Shravan Sharma who retires from office by rotation and being eligible offers himself for reappointment.
6. To appoint M.L. Bhuwania & Co., Chartered Accountants, as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting.

SPECIAL BUSINESS

7. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-**

RE-APPOINTMENT AND REMUNERATION OF MR. RAJKUMAR MODI, WHOLETIME DIRECTOR OF THE COMPANY:

“RESOLVED THAT in accordance with the provisions of sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Mr. Rajkumar Modi as a Whole-time Director for a further period of 3 (three) years with effect from 1st April 2011 on the terms and conditions including remuneration as are set out in the Agreement entered into between the Company and Mr. Rajkumar Modi, approved by the Remuneration Committee / Board at its meeting held on 11th February 2011 as set out in the explanatory statement annexed hereto.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:-

“RESOLVED THAT in modification of the resolution passed at the Extraordinary General Meeting of the Shareholders of the Company held on 17th March 1998, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding, that the money or monies to be borrowed by the Company (apart from the Temporary loans obtained or to be obtained from time to time from the Company’s Bankers in the ordinary course of business) together with the money already borrowed, may exceed the aggregate of the Paid-up Share Capital of the Company and its free reserves that it is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs. 100 Crores (Rupees Hundred Crores only)’.

9. To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such Charges, Mortgages and Hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events in favour of Banks/ Financial Institutions and other investing agencies to secure Rupee/ foreign currency Loans and Working capital facilities availed or proposed to be availed by the Company, provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and other moneys payable by the Company in respect of the said Loans, shall not, at any time exceed the limit of Rs. 100 Crores.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, as well as to execute all such documents, instruments and writings as may be required to give effect to the above resolution.”

By Order of the Board
For **MODISON METALS LTD.**

Sd/-
G. L. MODI
Managing Director

MUMBAI, 30th May, 2011

Registered Office:
33 Nariman Bhavan
227 Nariman Point
MUMBAI – 400 021.

NOTES:

- a) A Member entitled to attend and Vote is entitled to appoint a proxy and vote instead of himself and the Proxy need not be a member. The Proxies should, however be deposited at the Registered Office of the Company not later than 48 Hours before the commencement of the Meeting.
- b) An Explanatory statement pursuant to Section 173(2) of The Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
- c) Members / proxies should fill the Attendance Slip for attending the meeting.
- d) The Register of Members and transfer books of the company will be closed from 19th July 2011 to 26th July 2011 (Both days inclusive).
- e) The dividend, after declaration, will be paid to those shareholders whose names stand on the Register of Members on 26th July 2011. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of the shares whose names appear in the list furnished by the Depositories for this purpose as on 26th July 2011. The dividend will be paid by 25th August 2011 to the Shareholders.
- f) Members are hereby informed that Dividend which remains unclaimed /un-encashed over a period of 7 years, has to be transferred as per the provisions of Section 205A of the Companies Act, 1956, by the Company to “The Investor Education & Protection Fund”, constituted by the Central Government under Section 205C of the Companies Act, 1956.

Hereunder are the details of Dividends paid by the Company and their respective due dates of transfer of unclaimed / un-encashed dividends to the designated fund of the Central Government:-

Date of declaration of Dividend	Dividend for the year	Due date of transfer to the Government
20.12.2004	2004-2005 (Interim Dividend)	19.12.2011
27.09.2005	2004-2005 (Final Dividend)	26.09.2012
26.09.2006	2005-2006	25.09.2013
25.09.2007	2006-2007	24.09.2014
26.08.2008	2007-2008	25.08.2015
25.08.2009	2008-2009	24.08.2016
27.07.2010	2009-2010	26.07.2017

It may please be noted that once the unclaimed /un-encashed dividend is transferred to “The Investor Education & Protection Fund”, as above, no claim shall lie in respect of such amount by the shareholder.

- g) The Company is listed at:
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.
The listing fees have been paid in time.

- h) As per the requirements of clause 49 of the Listing Agreement on Corporate Governance for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details of the concerned Directors is given below:

i)	Name of the Director	Mr. Rajkumar Modi	Mr. R.A. Goenka	Mr. Anil Lohia	Mr. Shравan Sharma
ii)	Date of birth	08.03.1965	15.07.1942	07.04.1956	13.07.1957
iii)	Date of Appointment	09.06.1998	28.04.2008	28.04.2008	29.01.2002
iv)	Qualification	B.Com., MBA	B.A.	B.com, LL.B (G), F.C.A	Chartered Accountant
v)	Expertise in specific functional area	He has a sharp business acumen, stronghold in export market and excellent administrative capabilities.	In Chemical Industries & Overseas Business	Audit, Accounts & Finance	Practised as Chartered Accountant from Nov. 1982 to Oct. 1992. Stock Broker from March 1995 to June 2002. Practising as a C.A. from July 2002 onwards.
vi)	List of other public limited companies (in India) in which outside directorship held	None	Sanjana Cryogenic Storages Ltd.	Maharashtra Aldehydes & Chemicals Ltd.	None
vii)	Member of the committee/s of Board of Directors of other companies in which he is a Director	None	None	None	None

EXPLANATORY STATEMENT U/S 173 (2) OF THE COMPANIES ACT, 1956 FORMING PART OF THE NOTICE

Item No. 7

The Board of Directors at its Meeting held on 11.02.2011 had approved the remuneration as well as other terms and conditions related to re-appointment of Mr. Rajkumar Modi as the company's Wholetime Director for a period of three years with effect from 1st April 2011 to 31st March 2014, subject to the approval of the company in its General Meeting. The remuneration as well as the other terms and conditions related to the re-appointment of Mr. Rajkumar Modi were approved by the Remuneration Committee of the Board at its meeting held on 11.02.2011.

The material provision of the Agreement as regards Mr. Rajkumar Modi's re-appointment as Wholetime Director, referred to in Resolution No. 7 are as under:-

REMUNERATION:

(A) Salary:

- (i) Basic Salary: Rs. 2,00,000 per month in the scale of Rs.2,00,000 ~ Rs.2,50,000 per month with such increase within the scale as the Board may sanction from time to time.
- (ii) Perquisites will be paid in addition to salary, and will be subject to a limit of 25% of annual salary.

Perquisites are classified as follows:

- (i) Medical Reimbursement: Rs. 1,00,000 per annum towards medical expenses incurred for appointee and the family.
- (ii) Leave Travel Concession: Rs. 1,00,000 per annum for the appointee and his family once in a year incurred in accordance with the rules specified by the Company.
- (iii) Re-imbusement of Driver Salary: Upto Rs. 10,000/- per month with Bonus and other perquisites as may be mutually decided with such increment as may be decided from time to time, for provision of car used for company's business.
- (iv) Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- (v) Personal Accident Insurance: Personal Accident insurance of an amount, annual premium of which does not exceed Rs. 10,000 per annum.

CATEGORY - B :

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act.

Gratuity payable should not exceed half a month's salary for each completed year of service.

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY - C :

The provision of a car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and the use of the car for private purposes shall be billed by the Company to the individual appointee concerned.

The remuneration shall be paid in accordance with the provisions of Part II of the Schedule XIII of The Companies Act, 1956.

The Agreement between the Company and Wholetime Director is available for inspection by the Members at the Company's Registered Office between 10.00 a.m. and 12.00 noon on any working day up to the date of Annual General Meeting.

Your Directors commend the resolution for your approval.

Mr. Rajkumar Modi is deemed to be concerned or interested in the Resolution as it pertains to his appointment and remuneration payable to him.

Item No. 8

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Public Company cannot borrow money (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Company's Paid-up Capital and Free Reserves (that is reserves not set apart for any specific purpose) without the consent of the shareholders of the General Meeting.

The Shareholders of the Company at the Extraordinary General Meeting held on 17th March, 1998 authorised the Board of Directors to borrow upto Rs. 25 Crores. As the business of the Company has grown since then, the Debts may exceed the Paid up Capital and Free Reserves of the Company and further the company may avail further loans from the Banks/ Financial Institutions or any other Lenders for business purposes, hence, it is considered necessary to enhance the said borrowing limits of the Board of Directors to Rs.100 Crores.

The Resolution set out at Item No.8 of the notice is put forth for consideration of the members as a Special resolution pursuant to Section 293(1)(d) of the Companies Act, 1956, authorising the Board of Directors to borrow upto a sum of Rs. 100 Crores.

Your Directors recommend the above Resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the said resolution.

Item No. 9

As per the provisions of Section 293(1) (a) of the Companies Act, 1956, the Board of Directors of a Public Company can not sell, Lease or otherwise dispose of the whole, or substantially the whole, of any such undertaking without the consent of the shareholders in the General Meeting.

The Shareholders of the Company at the Extraordinary General Meeting held on 17th March, 1998 authorised the Board of Directors to create such Charges, Mortgages and Hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may seem fit, together with power to take over the management and concern of the Company in certain events in favour of Banks/ Financial Institutions and other investing agencies to secure Rupee/ foreign currency Loans and Working capital facilities availed or proposed to be availed by the Company, provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and other moneys payable by the Company in respect of the said Loans, shall not, at any time exceed the limit of Rs. 100 Crores.

As the mortgage/ Charge/ Hypothecation by the Company on its Assets as aforesaid in favour of the Banks and Financial institutions may be regarded as disposal of the Company's properties undertaking in certain events of default, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956, for creation of said charge/ mortgage/ Hypothecation.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the said resolution.

By Order of The Board of Directors
For **MODISON METALS LTD.**,

Sd/-
G. L. MODI
Managing Director

MUMBAI, 30th May, 2011

DIRECTORS' REPORT

To,

The Members of
MODISON METALS LTD.

Your Directors have pleasure in submitting the **Twenty-Eighth Annual Report** of the Company together with audited Accounts for the year ended 31st March, 2011.

• **FINANCIAL RESULTS**

	<u>Rupees In Lakh</u>	
	<u>2010-11</u>	<u>2009-2010</u>
Sales & Other Income	12,721.96	9,740.38
Gross Profit Before Finance Expenses & Depreciation / Amortisation	2,944.68	2,272.24
Less: Finance Expenses	105.92	102.55
Depreciation / Amortisation	461.37	396.89
Profit Before Taxation	2,377.39	1,772.80
Less: <u>Provision for Taxation:</u>		
Current Tax (Including Rs. 0.16 Lakh for Wealth Tax - Previous year Rs.0.15 Lakh)	786.16	541.15
Deferred Tax	7.89	51.25
Profit After Taxation	1,583.34	1,180.40
Add: Taxation adjustment of previous year	0.32	0.40
Add: Balance Brought Forward from the previous year	4,960.87	4,183.87
Profit available for appropriation	6,544.53	5,364.67
Proposed Dividend	324.50	243.38
Corporate Dividend Tax	52.64	40.42
Transfer to General Reserve	158.40	120.00
Balance Carried Over to Balance Sheet	6,008.99	4,960.87

- **DIVIDEND :**

The Board of Directors has recommended a Dividend of **Re. 1/-** (100 per cent) per Equity Share of Re.1/- each for the Financial Year ended 31st March 2011.

- **OPERATIONS :**

During the year under review, the Company has achieved the **turnover of Rs. 12,721.96 Lakh** as compared to **Rs. 9,740.38 Lakh** during previous year. Turnover grew by 30.61% i.e. by Rs. 2,981.58 Lakh, Profit before tax grew by 34.10% i.e. by Rs. 604.59 Lakh & Net Profit after taxation grew by 34.12% i.e. by Rs. 402.86 Lakh.

Earnings per share for the year 2010-11 increased to Rs. **4.88** from Rs. 3.64 in the previous year. Book value now stands at Rs. 22.51 per Equity Share of Re.1/- each.

- **EXPORTS :**

The Exports during the year amounts to **Rs. 1,902.25 Lakh** as against Rs. 1,173.33 Lakh achieved in the previous year. The Company is focusing to improve its exports performance.

- **RESEARCH AND DEVELOPMENT :**

A state-of-the-art recognized R & D Division set up by the Company in Financial Year 2002-03 got renewal in June 2010 from Department of Science & Technology Industrial Research, New Delhi. The R&D Division is working for development of new product as well as improvement in existing products.

- **DIRECTORS:**

Mr. R.A. Goenka, Mr. Anil Lohia and Mr. Shravan Sharma retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment to the Board.

- **DIRECTORS' RESPONSIBILITY STATEMENT:**

As per the provisions of Section 217 (2AA) of the Companies Act 1956, the Board confirms that

1. The financial statements are in full conformity with the requirements of the Companies Act, 1956 and applicable accounting standards had been followed.
2. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts on a going concern basis.

- **COMPLIANCE CERTIFICATE:**

A copy of Compliance Certificate as required by section 383A(1) of the Companies Act, 1956 forming part of this report is attached here with. The Compliance Certificate is self explanatory.

- **CORPORATE GOVERNANCE:**

Certificate of the Auditors of your Company regarding Compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchange is enclosed.

Your Company has been practising the principles of good Corporate Governance over the years.

The Board of Directors supports the broad principles of corporate governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

Your Company has complied with the requirement of the revised clause 49 of the Listing Agreement.

- **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earning and outgo is given in the Annexure I.

- **PARTICULARS OF EMPLOYEES:**

The Board of Directors wishes to express its appreciation to all the employees of the Company for their outstanding contribution to the operations of the Company during the year.

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended regarding employees is given in the Annexure II.

- **AUDITORS :**

M/s. M. L. Bhuwania & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment as per the Certificate given by the Auditors under the provisions of Section 224 (1B) of the Companies Act, 1956.

- **FIXED DEPOSITS :**

The Company has not accepted deposit from the Public during the year.

- **APPRECIATION :**

Your Directors wish to place on record their appreciation for the continued support received from Employees, Shareholders, Banks, Customers and Suppliers of the Company.

For And On Behalf Of The Board

Sd/-
G. L. MODI
Managing Director

Mumbai, 30th May, 2011

ANNEXURE I TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY

- a) Energy Conservation Measures:
 - Strict adherence of reasonable batch size production so that consumption on smaller batch lots is not made thereby decreasing power consumption. Mainly with respect to Heat Treatment and Melting furnaces.
- b) Additional Investments & Proposals For Reduction Of Energy:
 - None.
- c) Impact Of The Above Measure:
 - Since the energy consumption is comparatively marginal, the impact on cost of production is difficult to ascertain.
- d) Total Energy Consumption And Energy Consumption Per Unit Of Production:
 - Not furnished as the Company is not covered in the list of specified industries.

B TECHNOLOGY ABSORPTION :

Research & Development

- a) Specific areas in which R&D carried out by the company:
 - Development of Semi Continuous Casting.
 - Development of high current carrying Contacts by EBW with new material composition.
 - Development of Fully Automatic Inline Welding for Siemens (Weldomat)
- b) Benefits derived as a result of above R & D:-
 - New product development is import substitute
 - Country has saved valuable foreign exchange
 - Much better product performance at significantly lower raw material costs.
- c) Future Plan of action:
 - Development of Brazing Rod by Extrusion process containing 2% or less silver
 - Development of Brazing Alloy by vacuum melting
 - Development of Moving and Fixed Contact by Toplay Brazing
 - Development of import substitute for Crown Contact
 - Development of Tin Walled Contacts manufacturing by metal spinning.
- d) Expenditure in R&D:

	<u>Rs. In Lakh</u>
- Capital	27.55
- Recurring	<u>20.72</u>
Total	<u>48.27</u>
- Total R&D Expenses as a percentage of total Turnover	0.38%

C FOREIGN EXCHANGE EARNINGS AND OUTGO :

- a) Activities Relating To Exports:
 - The Company is contributing towards imports substitution in Electrical & Switchgear Industries and making the country self reliant in this regard.
- b) Total Foreign Exchange Used and Earned (2010-11)

	<u>Rs. in Lakh</u>
i) CIF Value of Imports:	1,364.49
ii) Expenditure in Foreign Currency:	139.34
iii) Foreign Exchange earned:	1,902.25

ANNEXURE II TO DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES OF THE COMPANY AS REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975.

Name	MR. G.L. MODI	MR. L.P. SHRIVASTAVA
Designation	Managing Director	President (Operations)
Date of Commencement of Employment	1 st Sept. 1994	05 th July, 2008
Gross Remuneration	Rs. 85,72,101/-	Rs.19,21,917/-
Age (in Years)	69	53
Qualification	D.M.E	B.E. (Honours)
Experience (in years)	45	32
Particulars of Previous Employment	-	Greaves Cotton Limited
Designation	-	Vice President (Business Group Head)

NOTES :

1. Mr. G. L. Modi is the brother of Mr. S. M. Mody, a Director.
2. Remuneration includes Salary, Allowances and Monetary value of perquisites.

COMPLIANCE CERTIFICATE
(Pursuant to section 383A of the Companies Act, 1956)

Name of the Company: MODISON METALS LIMITED

Registration No : L51900MH1983PLC029783

Authorised Capital : Rs. 32,500,000/- Paid-Up Capital: - Rs. 32,450,000/-

**To,
The Members of
MODISON METALS LIMITED**

We have examined the registers, records, books and papers of **MODISON METALS LIMITED** as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2011**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has maintained statutory registers as stated in Annexure 'A' to this certificate as per the provisions and the rules made thereunder.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies. No return was required to be filed with Central Government, Regional Director, Company Law Board or other authorities.
3. The Company being a Public Limited Company has the prescribed paid-up capital.
4. The Board of Directors duly met **SIX** times respectively on 29/05/2010, 12.08.2010, 25.08.2010, 18.10.2010, 09.11.2010 & 11.02.2011 in respect of which meetings proper notices were given and the proceeding were properly recorded and signed in the Minutes book maintained for the purpose.
5. The Company has closed its Register of Members from 20th July 2010 to 27th July 2010 during the financial year.
6. The Annual General Meeting for the financial year ended 31st March, 2010 was held on 27th July 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes book maintained for the purpose.
7. No Extra-Ordinary Meeting was held during the financial year under review, but resolutions were put through Postal Ballot during the Financial Year under review.
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under Section 295 of the Act.
9. As per information provided, the Company has entered into contract falling within purview of Section 297 of the Act and the same are on cash basis.

10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As per the information provided, since there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year.
13.
 - i) There was transfer of Securities during the Financial Year.
 - ii) There was no allotment and no transmission of securities during the Financial Year.
 - iii) The Company has deposited the amount of dividend declared in a separate Bank Account which is within five days from the date of declaration of such dividend.
 - iv) The Company has paid dividend to all the members within a period of 30 days from the date of declaration.
 - v) The Company has duly complied with the requirement of Section 217 of the Act.
14. The Board of Directors of the Company was duly constituted. There was appointment of additional directors, but there was no appointment of alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/ Manager during the Financial Year. However, the company has appointed Wholetime Director during the Financial Year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approval from the Central Government, Company Law Board, Regional Director, and /or such authorities prescribed under various provisions of the Act.
18. The directors have disclosed their interest in other firms /Companies to the board of the directors to the provision of the act and the rules made thereunder.
19. The Company has not issued any share, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference share or debentures during the financial year.

22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/ accepted any deposits including unsecured loan falling within the purview of Section 58A during the financial year.
24. The Company has made borrowings during the Financial year 31st March 2011 which are within the borrowing limits of the company and that necessary resolution as per section 293 (1)(d) of the Act have been passed .
25. As per the information provided the Company has not made loans and investments or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and was not required to make entries in the register kept for the purpose.
26. The Company has not altered the provision of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has altered the provision of the memorandum with respect to the object of the Company during the year under scrutiny.
28. The Company has not altered the provision of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association and was not required to obtain the approval of the members in the general meeting during the financial year and hence no amendments to the Articles of Association were required to be registered with the Registrar of Companies.
31. As per the information provided, there was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. As per the information provided, the Company has not received any money as security from its employees during the financial year.
33. As per the information provided before us the Company has deposited both employees & employer's contribution to the provident fund with prescribed authorities pursuant to Section 418 of the Act.

Place: Mumbai
Date: 30th May, 2011

Mrs. Ragini Chokshi
Practicing Company Secretary

FOR RAGINI CHOKSHI & CO.
(Partner)
C.P. No. 1436

ANNEXURE A

1. Register of members u/s 150
2. Register of Directors u/s.301
3. Register of Directors Share holding u/s 307.
4. Register of Charges u/s130.
5. Register of Investments u/s 372A.
6. Register of Directors u/s 303.
7. Register of Contracts u/s 301.
8. Minutes books for meetings of the Board of Directors and Shareholder.

ANNEXURE B

Forms and returns filed by the Company with the Registrar of Companies, during the financial year ending on 31st March 2011.

1. Annual Return u/s 159 till the date of AGM filed on 07.10.2010.
2. Balance Sheet u/s 210 for the financial year ended on 31st March 2010 filed on 21.08.2010.
3. Compliance Certificate filed u/s 383A for the financial year ending on 31st March 2010 filed on 21.08.2010.
4. Form No. 32 was filed on 07.06.2010
5. Form No. 8 was filed on 04.06.2010
6. Form No. 8 was filed on 04.06.2010
7. Form No. 8 was filed on 04.06.2010
8. Form No. 25 C was filed on 21.06.2010
9. Form No. 23 was filed on 21.08.2010
10. Form No. 32 was filed on 21.08.2010
11. Form No. 23 was filed on 19.10.2010
12. Form No. 32 was filed on 20.10.2010
13. Form No. 23B was filed on 16.12.2010
14. Form No. 8 was filed on 30.12.2010
15. Form No. 8 was filed on 30.12.2010
16. Form No. 8 was filed on 30.12.2010.

Management Analysis & Discussion Report:

A. Industry Structure & Developments:

The company specializes in making precision components forming the main active elements of Electrical Switchgear, which actually makes/ breaks Currents at all Voltage levels in AC & DC systems. The core strength being in house processing from Silver refining to producing all the contact materials and Semis of Precious Metal and Copper Alloy Contact Material and finally making fully finished world class electrical contact parts. This can only be attributable to the highly skilled & experienced manpower, latest generation Manufacturing facilities employed, complimented by engineering skills have added to the productivity and thus a competitive edge in the global market.

B. Opportunities and Threats:

Recognition as a potential, long term partner by all leading MNCs and Switchgear majors within and outside the country has ensured a sustained growth for the company. Further, marketing efforts like participation in International Trade Fairs have improved visibility of MODISON, in the overseas market as well.

With the change in Government Policy on Power Sector investments, increase in volumes is eminent. However, these gestures by the Government have simultaneously attracted competition from overseas giants especially from China, where subsidies granted by their Governments over power price structure offered by domestic manufacturers may affect company's profitability.

C. Productwise Performance and Financial Performance:

The company is manufacturing Electrical Contacts for Low, Medium, High and Extra High Voltage Switchgear.

During the F.Y. 2010-11 Revenue of the Company rose to **Rs. 12,721.96 Lakh** as compared to Rs. **9,740.38 Lakh** achieved during the previous F.Y. of 2009-10. Consequently, the Profit Before Tax grew to **Rs. 2,377.39 Lakh** in the Year under report from Rs. **1,772.80 Lakh** achieved during the previous F.Y.

Export sales during the current F.Y. amounted to **Rs. 1,902.25 Lakh** as against Rs. **1,173.33 Lakh** achieved in the previous F.Y.

D. Future Outlook:

In spite of the thrust on Power Sector, one can expect hurdles in implementation owing to the political scenario prevailing in several states. The focus on non-conventional Energy initiative also is a long drawn process while being an expensive one. Therefore, one cannot expect any major breakthrough immediately and the Company is expecting only a nominal but steady growth in the times to come.

E. Risks & Concerns:

New small scale Medium Voltage Switchgear assembling factories are mushrooming within the country, who import switchgear sub-assemblies from China, Korea etc. These Companies eat into considerable volumes of the overall Switchgear demand. Electricity Boards for example are bulk consumers of such Switchgear, where low price alone succeeds. Our Electrical Contact materials are not required by these Companies as the complete sub-assemblies are imported.

F. Internal Control System & their Adequacy:

The company has in place an adequate system of internal controls commensurate with the size of the company and the nature of its business to ensure efficacy of operations and compliance with applicable legislation. There exists an adequate management reporting system comprising managerial reporting and analysis on various performance indicators, for corrective action as necessary. The Audit Committee also looks into internal control system of the company.

G. Research and Development

A state-of-art recognized R & D Division was set up by the Company in F.Y. 2002-03, the Recognition was renewed in June 2010 from the Department of Science & Technology, Industrial Research, New Delhi. The R& D Division is working for development of new product as well as improvement in existing products.

H. Expansion

During the year under consideration, the company has completed expansion in hand

I. Human Resources

Initiatives continue towards creation of a more energetic, performance driven organization. Performance standards are being perceptibly raised to realize the Company's objective of profitability and growth. The methodology for the scrutiny of sub-optimal performance and career development opportunities for the high performers have been strengthened.

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

We, at Modison Metals Limited (MML), believe that for a company to succeed it must maintain global standards of corporate conduct towards its employees, customers and society. The company believes that it is rewarding to be better managed and governed and to identify and align its activities with national interest. To that end, we, as a company, have always focused on good corporate governance – which is a key driver of sustainable corporate growth and long term value creation.

At Modison Metals Limited, we view Corporate governance in its widest sense, almost like a trusteeship. Corporate governance is not simply a matter of creating checks and balances; it is about creating an outperforming organization. The primary objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness; and to develop capabilities and identify opportunities that best serves the goal of value creation. Good Governance is an integral part of MML Management, in its pursuit of excellence, growth and value creation with a clear focus on its employees, customers, shareholders and the community at large – its stakeholders, beyond the metric of stock market and market capitalization.

Corporate Governance is not merely compliance – it is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to customer need, shareholder benefit and employee growth, thereby delighting all its stakeholders while minimizing risks.

In so far as compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchange, Mumbai, the Company is in full compliance with the norms and disclosures that have to be made on Corporate Governance Format.

2. BOARD OF DIRECTORS

a) Composition of the Board

The company is fully compliant with the Corporate Governance norms in terms of constitution of the Board. The Board of Directors has an optimum combination of Executive and Non-Executive Directors with 67% of Directors being Non-Executive Directors. The Board of Directors at present comprises of 9 directors and represents the optimum mix of professionalism, knowledge and experience.

The Board's composition is in accordance with the requirements of Clause 49 of the Listing Agreement.

None of the Directors on the Board is a member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees as per Clause 49 across all companies in which they are directors.

The composition of the Board of Directors during the year as well as details of outside directorships and other board committees of which the Company's Directors are Members is as under:-

Directors' Attendance Record and Directorship / Committee Membership / Chairmanship held

Name of Director	Executive / Non-Executive / Independent	Relationship with Other Directors	Board Meetings attended during the year	Whether attended last AGM	Directorships* including MML)	Committee Position (Including MML)	
						Chairman	Member
Mr. Ranjan Dasgupta - Chairman	Non-Executive	None	3	Yes	1	Nil	Nil
Mr. G. L. Modi - Managing Director	Executive	Brother of Mr. S.M. Mody	6	Yes	1	Nil	1
Mr. S. M. Mody	Non-Executive	Brother of Mr. G.L.Modi	4	Yes	1 (resigned w.e.f. 6.10.2010)	Nil	Nil
Mr. Suresh Mody	Non-Executive	None	6	Yes	1	Nil	Nil
Mr. Rajkumar Modi - Wholetime Director	Executive	None	6	Yes	1	Nil	2
Mr. Shravan Sharma	Non-Executive & Independent	None	4	Yes	1	3	Nil
Mr. Satish Mody	Non-Executive & Independent	None	4	Yes	1	Nil	2
Mr. Ramavtar Goenka	Non-Executive & Independent	None	4	No	2	Nil	Nil
Mr. Anil Lohia	Non-Executive & Independent	None	3	Yes	2	Nil	2
Mr. B.B. Singh	Executive	None	5	Yes	1	Nil	Nil

* Number of Directorships/memberships held in other companies excludes directorship/member in Private Limited Companies, Foreign Companies and Companies under section 25 of the Companies Act, 1956.

An Independent Director is a Director who:

- apart from receiving director's remuneration does not have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates which may effect independence of the Director.
- is not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- has not been an executive of the company in the immediately three preceding financial years.
- is not a partner or an executive or was not partner or an executive during three preceding years of any of the following:-
 - Statutory audit firm or the internal audit firm, i.e. associated with the company, and
 - The legal firm(s) and consulting firm(s) that have a material association of the company.
- is not a material supplier, service provider or customer or a lessor or lessee of the company which may affect the independence of the Director.
- is not a substantial shareholder of the company, i.e. owning 2% or more of the block of voting shares.

b) APPOINTMENT / REAPPOINTMENT OF DIRECTORS:-

Mr. Rajkumar Modi was reappointed as Wholetime Director of the company w.e.f. 1st April 2011 for the period of three years.

Mr. R.A. Goenka, Mr. Anil Lohia and Mr. Shravan Sharma retire by rotation at the ensuing Annual General meeting and being eligible offer themselves for re-appointment. Approval of the shareholders is sought at the ensuing Annual General Meeting for their re-appointment as Directors of the Company.

The list containing the details of the Directors seeking appointment/re-appointment at the 28th Annual General Meeting is given below:-

i)	Name of the Director	Mr. Rajkumar Modi	Mr. R.A. Goenka	Mr. Anil Lohia	Mr. Shravan Sharma
ii)	Date of birth	08.03.1965	15.07.1942	07.04.1956	13.07.1957
iii)	Date of Appointment	09.06.1998	28.04.2008	28.04.2008	29.01.2002
iv)	Qualification	B.Com., MBA	B.A.	B.com, LL.B (G), F.C.A	Chartered Accountant
v)	Expertise in specific functional area	He has a sharp business acumen, stronghold in export market and excellent administrative capabilities.	In Chemical Industries & Overseas Business	Audit, Accounts & Finance	Practised as Chartered Accountant from Nov. 1982 to Oct. 1992. Stock Broker from March 1995 to June 2002. Practising as a C.A. from July 2002 onwards.
vi)	List of other public limited companies (in India) in which outside directorship held	None	Sanjana Cryogenic Storages Ltd.	Maharashtra Aldehydes & Chemicals Ltd.	None
vii)	Member of the committee/s of Board of Directors of other companies in which he is a Director	None	None	None	None

c) BOARD MEETINGS AND GENERAL MEETINGS:

The meetings of the Board of Directors are held in Mumbai. The Board meets at least once in a quarter interalia to review the quarterly performance and financial results. The Board meets at least 4 times in a year and the gap between two Board Meetings is not more than 4 months as per the Clause 49 of the Listing Agreement.

Six meetings were held during the year ended 31st March 2011. They were on 29.05.2010, 12.08.2010, 25.08.2010, 18.10.2010, 09.11.2010 and 11.02.2011.

The Board is apprised and informed of all the important matters relating to the business of the Company including those information as prescribed in Annexure 1 A of the revised Clause 49 of the Listing Agreement. The Managing Director finalises the items to be included in the agenda of the meeting and the same is sent to the members of the Board in advance along with the relevant details and explanatory notes wherever required.

d) Information supplied to the Board

Among others, this includes:

- ◆ Review of annual operating plans of businesses, capital budgets, updates,
- ◆ Quarterly results of the company and its operating divisions or business segments,
- ◆ Minutes of meeting of Remuneration Committee and other Committees of the Board,
- ◆ Information on recruitment and remuneration of senior officers just below the Board level,
- ◆ Materially important show cause, demand, prosecution and penalty notices,
- ◆ Any materially significant effluent or pollution problems,
- ◆ Significant labour problems and their proposed solutions,
- ◆ Significant development in the human resources and industrial relation fronts,
- ◆ Non – compliance of any regulatory or statutory provision or listing requirements as well as share holder services such as non payment of dividend and delays in share transfer.

The Board of the Company is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings.

3. BOARD COMMITTEES:

The Board has constituted the following committees of Directors:-

- I) Audit Committee
- II) Remuneration Committee
- III) Shareholder's Grievance Committee.

I) AUDIT COMMITTEE:

a) Composition:

The Audit Committee comprises four Directors and three of them are independent Directors including the Chairman of the Audit Committee. The details of the Members are as under:-

<u>Name of the Directors</u>	<u>Category</u>
Mr. Shravan Sharma	Chairman, Non-Executive and Independent
Mr. Anil Lohia	Non-Executive and Independent
Mr. Satish Mody	Non-Executive and Independent
Mr. Rajkumar Modi	Executive

The Compliance Officer: Mr. Ramesh Kothari acts as Secretary of the Audit Committee. The members of the Audit Committee are financially literate and two members has accounting and related financial management expertise. The chairman of the Audit Committee was present in the Last Annual General Meeting.

b) Terms of Reference:

The terms of reference of the Audit Committee include the matters specified under sub clause (ii) and described under sub clause (iv) of the clause 49 of the Listing Agreement.

c) Power of Audit Committee:

The Audit Committee has the following powers:-

- i) To investigate any activity within its terms of reference;
- ii) To seek information from any employee;
- iii) To obtain outside legal or other professional advice;
- iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

d) The role of Audit Committee includes the following:-

- i) Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the Financial Statement is correct, sufficient and credible;
- ii) Recommending the appointment, reappointment and if required replacement or removal of statutory auditor, and fixation of audit fees;
- iii) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- iv) Reviewing with management the annual financial statements before submission to the Board for approval with particular reference to:
 - a) Matters required to be included in Director's responsibility statement to be included in the Board's Report terms of clause 2AA of section 217 of the Companies Act, 1956;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statement arising out of audit findings;
 - e) Compliance with Listing and other legal requirements relating to financial statements.
 - f) Disclosures of related party transactions.
 - g) Qualifications in draft Audit Report.

-
- v) Reviewing with the management, the quarterly financial statement before submission to the Board for approval.
 - vi) Reviewing with the management the performance of statutory auditors, adequacy of internal control systems.
 - vii) Reviewing the findings of any internal investigations 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.
 - viii) Discussion with the Statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - ix) To look into the reasons for the substantial defaults in the payment to the depositors, debenture holders, shareholder (in case of non-payment of declared dividends) and creditors.
 - x) To review the function of Whistle Blower Mechanism.
 - xi) Carrying out any other function as mentioned in the terms of reference of Audit Committee.
- e) **Review of Information by the Audit Committee:**

The Audit Committee reviews the following information:

- i) The management discussion and analysis of financial condition and results of operations
 - ii) The statement of significant related party transactions (as defined by the Audit Committee) submitted by the Management.
 - iii) Management letters / letters of internal control weaknesses issued by statutory auditors and
- f) **Audit Committee meetings and attendance:**

Four Audit Committee Meetings were held during the year ended 31st March, 2011 on 29.05.2010, 12.08.2010, 09.11.2010 and 11.02.2011.

Details of attendance of each Director at the Audit Committee Meetings are given below:-

<u>Sr. No.</u>	<u>Name of the Directors</u>	<u>No. of Meetings attended</u>
1.	Mr. Shravan Sharma	4
2.	Mr. Anil Lohia	3
3.	Mr. Satish Mody	4
4.	Mr. Rajkumar Modi	4

II. REMUNERATION COMMITTEE:

a) Terms of Reference:

The Company's Remuneration Committee is vested with all the necessary powers and authority to ensure appropriate disclosure on the remuneration of whole-time director and to deal with all the elements of remuneration package of Directors and Management Personnel.

b) Composition and Details of Attendance of Remuneration Committee:

<u>Sr. No.</u>	<u>Name of the Directors</u>	<u>Status</u>	<u>No. of Meetings attended</u>
1.	Mr. Shravan Sharma	Chairman	2
2.	Mr. Anil Lohia	Member	2
3.	Mr. Satish Mody	Member	2

During the financial year 2010-11, two Remuneration Committee meetings were held on 29.05.2010 & 11.02.2011.

c) **Remuneration Policy:**

- i) The remuneration policy is based on three tenets: Pay for responsibility, Pay for Performance and potential and Pay for growth.

d) **Remuneration paid to all the Directors:**

Remuneration of Directors, Sitting Fees, Salary, Perquisites:

Executive Director: Managing Director / Wholetime Directors.

The Company is having a Remuneration Committee.

The Managing Director remuneration is approved by the Central Government. The Wholetime Director remuneration is being paid in accordance with and subject to the limits laid down in Schedule XIII to the Companies Act, 1956. The remuneration to the Managing Director / Wholetime Director is approved by the Remuneration Committee, Board of Directors and subsequently ratified by the Shareholders in the meeting.

- i) The Remuneration (including perquisites and benefits) paid to the Managing Director / Wholetime Director during the year ended 31st March 2011 is as follows:-

Name of director	Amount in Rupees					
	Sitting Fees	Salary	Perquisites	Gratuity Provision	Contribution to PF	Total
G. L. Modi	-	8,160,000	198,658	201,923	11,520	8,572,101
Rajkumar Modi	-	1,920,000	158,166	92,308	11,520	2,181,994
B.B. Singh	-	1,785,810	50,000	--	9,997	1,845,807

- ii) Service Contracts, Severance Fees and Notice Period:

The appointment of the Managing Director is for a period of 3 years from 09.07.2009 to 08.07.2012 and the appointment of Wholetime Director of Mr. Rajkumar Modi is for a period of 3 years, from 01.04.2011 to 31.03.2014 and appointment of Mr. B.B. Singh is for a period of five years from 29.05.2010 to 28.05.2015.

There is no provision for separate payment of severance fee under the resolution appointing the Managing Director and Wholetime Directors.

- iii) Performance linked incentive criteria:

No such performance linked incentive are given to the appointees.

- iv) Employee Stock Option Scheme:

The Company does not have any stock option scheme.

Non-Executive Directors:

The Non-Executive Directors of the Company do not draw any remuneration from the Company other than sitting fees for attending Board and Committee meetings except as mentioned below.

Mr. Ranjan Dasgupta is also paid Professional Charges of Rs.120,000/- for F.Y. 2010-11 for rendering professional services.

Mr. Suresh Mody is also paid Professional Charges of Rs.600,000/- for the F.Y. 2010-11.

The details of Sitting Fees paid to Non-Executive Directors for attending Board and Committee Meetings during the year 2010-11 are given below:

Name of the Director	Director Sitting Fees (Rs)
Ranjan Dasgupta	30,000
S. M. Mody	40,000
Suresh Mody	60,000
Shravan Sharma *	1,00,000
Satish Mody *	1,00,000
Mr. Ramavtar Goenka	40,000
Mr. Anil Lohia*	80,000

* includes fees for Audit Committee & Remuneration Committee Meetings.

The shareholding of Non-Executive Directors are as under:-

<u>Name of the Director</u>	<u>No. of Shares</u>
Mr. Ranjan Dasgupta	Nil
Mr. Suresh Mody	227,240
Mr. Shravan Sharma	Nil
Mr. Satish Mody	54,500
Mr. Ramavtar Goenka	1,000
Mr. Anil Lohia	2,000

III SHAREHOLDERS' GRIEVANCE COMMITTEE:

The Board of Directors had constituted the Shareholders Grievance Committee.

The Committee redresses complaints received from shareholders relating to transfer and transmission of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

Composition of the Committee:

Mr. Shravan Sharma, Non-Executive and independent Director is the Chairman of the Shareholders' Grievance committee.

The Composition of the Shareholders' Grievance committee is detailed below:-

<u>Name of the Director</u>	<u>Executive / Non-Executive</u>
Mr. Shravan Sharma	Non- Executive and Independent
Mr. G. L. Modi	Executive
Mr. Rajkumar Modi	Executive

Mr. Ramesh Kothari, Vice President – Finance, is acting as the Compliance Officer of the Committee.

During the year, no complaint was received, and no request for share transfer and dematerialization received during the Financial Year was pending for more than two weeks.

4) GENERAL BODY MEETINGS:

a) Particulars of General Meetings held during last three years:-

Annual General Meetings:

<u>Financial year</u>	<u>Date</u>	<u>Time</u>	<u>Venue</u>
2007-08	26.08.2008	11.30 A.M.	Radio Room, Bombay Presidency Radio Club Ltd., Arthur Bunder Road, Colaba, Mumbai
2008-09	25.08.2009	11:30 A.M.	
2009-10	27.07.2010	11:30 A.M.	

Extraordinary General Meetings:

	07.07.2007	11.30 A.M	Radio Room, Bombay Presidency Radio Club Ltd., Arthur Bunder Road, Colaba, Mumbai
	09.06.2008	11.30 A.M.	

The following Special Resolutions were passed at the Extraordinary General Meeting on 07.07.2007:-

- (i) Sub-division of Equity Shares of the Company from Rs. 10/- each into Equity Shares of Rs. 1/ each.
- (ii) To alter existing clauses of the Memorandum of Articles of Association for Authorised Share Capital of the Company.
- (iii) To alter existing clauses of Articles of Association for Authorised Share Capital of the Company.

The following Special Resolutions were passed at the Extraordinary General Meeting held on 09.06.2008:-

- (i) Appointment of Mr. Ranjan Dasgupta, Director of the Company, as a Consultant.
- (ii) Increase the Sitting Fees within prescribed limit.

The following Special Resolution was passed at the AGM held on 25.08.2009

- (i) Re-appointment and Remuneration of Mr. G. L. Modi, Managing Director of the Company:

b) Postal Ballots:

The following Resolutions were put through Postal Ballot during F.Y. 2010-11.

- 1. To alter the Object clause of the Memorandum of Association of the company.
 - 2. To commence new business.
- c) No resolutions are proposed to be conducted through postal ballot at the ensuing AGM.

5. OTHER DISCLOSURES:

- a) There are no materially significant related party transaction, i.e. transaction of the company of material nature with its Promoters, the directors or the Management etc. that may have potential conflict with the interests of the company at large :

Related party transactions are disclosed in Note No. 11 of Schedule 'S' to the financial statement in the Annual Report. The Audit Committee had reviewed the related party transactions as mandatory requirement under clause 49 of the Listing Agreement.

- b) The Company had complied with the requirement of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No pecuniary structures have been imposed on the Company by any of the above mentioned authorities.
- c) The Company has already put in place a system for employees to report the management about concerns relating to unethical behaviour, any fraud or violation of Company's Code of Conduct and the access has been provided up to the higher level of supervision including the Audit Committee.
- d) The Company has complied with all the mandatory requirements and has also disclosed information relating to non-mandatory requirements.

6. MEANS OF COMMUNICATION:

- a) Quarterly un-audited Financial Results were published in the Economic Times and Maharashtra Times Newspaper. The half yearly report is not sent separately to the Shareholders. Annual Reports are sent to each shareholder at their Registered Address with the Company. The Company's website is: www.modison.com. The Company has updated the quarterly results on its website and also in other official news.
- b) Management Discussion and Analysis Report:

The Management Discussion And Analysis Report forms part of the Director's Report. All matters relating to Industry Structures and Development, Opportunities and Threats, Segment wise and Product wise performance, Outlook, Risks and Concern, Internal Control System and its adequacy, Discussion on financial performance with respect to operational performance, material development in human resources are discussed in the Director's Report.

7. GENERAL SHAREHOLDER INFORMATION:

- | | |
|--|--|
| a) 28th AGM Date and time: | 26th day, July, 2011 |
| Time: | 11:30 A.M. |
| Venue: | Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai – 400005. |
| b) Financial year of the Company | April – March each year |
| c) Book Closure Date: | 19 th July 2011 to 26 th July 2011 (Both days inclusive) |
| d) Listing on Stock Exchanges: | Bombay Stock Exchange Ltd., Mumbai. |

- e) Stock Code: 506261 (Bombay Stock Exchange Ltd.)
- f) Payment of annual Listing Listing Fees for the Financial Year: 2010-11 has been paid to the Bombay Stock Exchange.
- g) Dividend Payment Date: The dividend recommended by the Board of Directors, if declared, in the ensuing AGM should be deposited in a separate Bank Account within 5 days of its declaration and shall be paid by 25th August 2011 to the Shareholders.
- h) Financial Calendar (provisional):
- | | |
|----------------------------------|------------------------------|
| 1 st Quarterly Result | Second week of August 2011 |
| 2 nd Quarterly Result | Second week of November 2011 |
| 3 rd Quarterly Result | Second week of February 2012 |
| Annual Results | Last week of May 2012 |
- i) Share Market price data: The monthly high and low prices of equity shares of the company traded at The Stock Exchange, Mumbai and BSE Sensex are as under:-

Month	Stock Exchange, Mumbai		BSE Sensex	
	Highest (Rs.)	Lowest (Rs.)	Highest (Rs.)	Lowest (Rs.)
Apr. 2010	33.40	24.00	18,047.86	17,276.80
May 2010	31.70	25.50	17,536.86	15,960.15
June 2010	30.55	28.10	17,919.62	16,318.39
July 2010	34.95	28.70	18,237.56	17,395.58
Aug. 2010	42.45	32.95	18,475.27	17,819.99
Sept. 2010	39.90	32.15	20,267.98	18,027.12
Oct. 2010	35.15	31.90	20,854.55	19,768.96
Nov. 2010	38.05	29.10	21,108.64	18,954.82
Dec. 2010	33.15	27.20	20,552.03	19,074.57
Jan. 2011	32.15	26.20	20,664.80	18,038.48
Feb. 2011	29.05	23.70	18,690.97	17,295.62
Mar. 2011	31.00	24.40	19,575.16	17,792.17

- a) Share Transfer System: Trading in Equity Shares of the Company is permitted in dematerialized form. Shares sent for transfer in physical form are registered and returned in a period of fifteen days of the receipt of the document, provided the documents are valid and complete in all respect.
- b) Registrar & Transfer Agent (For physical and Demat) **FREEDOM REGISTRY LIMITED**
(Formerly AMTRAC MANAGEMENT SERVICES LTD.)
Plot No. 101/102 MIDC, 19th Street, Satpur, Nasik – 422 007
Tel: 95253-2354032
Fax: 95-253-2351126
Email :amtrac_nsk@sancharnet.in
- j) Distribution of Shareholding As on 31.03.2011

Slab	No. of shareholders		No. of Equity Shares	
	Total	%	Total	%
1 ~ 100	1,543	29.71	112,861	0.35
101 ~ 200	802	15.44	147,691	0.46
201 ~ 500	1,270	24.45	513,127	1.58
501 ~ 1000	761	14.65	672,840	2.07
1001 ~ 5000	602	11.59	1,382,568	4.26
5001 ~ 10000	102	1.96	798,875	2.46
10001 & Above	114	2.20	28,822,038	88.82
Total:	5,194	100.00	3,245,000,000	100.00

k) Shareholding Pattern: As on 31st March, 2011

Category	No. of Equity shares	%	
Promoters Holding:	Promoters	17,024,260	52.46
Non-Promoters Holding	FII's	50,000	0.16
	Mutual Funds	-	-
	Private Corporate Bodies	2,538,689	7.82
	NRI's / OCB's	103,151	0.32
	Indian Public	12,733,900	39.24
	Total:	32,450,000	100

l) Dematerialisation of shares and liquidity: The Equity Shares of Company are dematerialized with National Security Depository Limited and Central Depository Services (India) Limited and the total number of Shares dematerialized as on 31.03.2011 is 21,552,340.

m) Outstanding GDRs / Warrants or any convertible instruments Nil

n) Registered Office: 33 Nariman Bhavan,
227 Nariman Point,
MUMBAI – 400021.

o) Works: Plot No. 85/A, B, D & E, Phase 1, Road 'E', VAPI – 396195

p) Address for correspondence: 33 Nariman Bhavan, 227 Nariman Point, MUMBAI – 400021.

q) Compliance Certificate by Auditors:

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of Corporation Governance as stipulated in Clause 49 of the Listing Agreement, which is given as an annexure to Directors' Report.

r) Compliance with Non-Mandatory Requirement of Clause 49 of the Listing Agreement:

The status of compliance with the non-mandatory requirement is as under:-

i) Whistle Blower Policy:

The Company has already put in system for employees to report to the management about concerns relating to unethical behaviour; any fraud or violation of Company's Code of Conduct and the access has been provided up to the higher level of supervision including the Audit Committee.

ii) Other Non-Mandatory requirements:

The Company is in the process of implementation of other non-mandatory requirements.

s) Certification by CEO for compliance with Code of Conduct:

As Managing Director and Chief Executive Officer of the Company and as required by the Clause 49 of the Listing Agreement, I hereby certify that all the Board Members and Senior Management Personnel have affirmed their compliance with the code of conduct as laid down by the Board.

Sd/-

G. L. MODI
Managing Director

Place: Mumbai

Date : 30th May, 2011

t) Certification by Chief Executive Officer:

As the Managing Director of the Company and as required by the Clause 49 of the Listing Agreement, I hereby certify the following that:

- A) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge, information and belief:
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) 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 my 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. The Company's other officers and I are responsible for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify those deficiencies.
- D. I have indicated to the auditors and the Audit Committee that:
- i) No significant changes in internal control have taken place during the year.
 - ii) There have been no changes in the accounting policies during the year.
 - iii) There were no frauds during the year.

Sd/-

G. L. MODI
Managing Director

Place: Mumbai
Date : 30th May, 2011

The above Report was adopted by the Board of Directors at their meeting held on 30th May, 2011.

Sd/-

G. L. MODI
Managing Director

Place: Mumbai
Date: 30th May, 2011

ANNEXURE TO THE REPORT OF THE DIRECTORS

**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS
OF CORPORATE GOVERNANCE.**

To the Shareholders of **MODISON METALS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **MODISON METALS LIMITED** for the year ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **M. L. BHUWANIA & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No. 101484W

Sd/-
J. P. BAIRAGRA
PARTNER
Membership No.012839
Place : Mumbai
Date : 30th May, 2011

AUDITOR'S REPORT TO THE MEMBERS OF MODISON METALS LIMITED

1. We have audited the attached Balance Sheet of Modison Metals Limited ('the Company') as at 31st March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that no Director is disqualified as on 31st March 2011 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

-
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - b. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For M. L. BHUWANIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 101484W

Sd/-
J. P. BAIRAGRA
PARTNER
Membership No. 012839

Place: Mumbai
Date: 30th May, 2011.

Annexure referred to in paragraph 3 of Auditor's report to the members of Modison Metals Limited for the year ended 31st March 2011.

On the basis of the records produced to us for our verification / perusal, such checks as we considered appropriate, and in terms of information and explanation given to us on our enquiries, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets of the Company are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and discrepancies noticed between the book records and the physical verification were not material and have been properly dealt with in the accounts.
- (c) In our opinion and according to the information and explanations given to us, there was no substantial disposal of fixed assets during the year.
- (ii) (a) As explained to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of account.
- (iii) As informed to us, the company has neither taken nor granted any loan, secured or unsecured to/from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. Accordingly, clause 4 (iii) of the order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) (a) On the basis of our examination of the documents and records and according to the information and explanation given to us, we are of the opinion that during the year, the particulars of the contracts/arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

- (b) According to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding the value of rupees five lacs in respect of any party during the year, except transactions for items purchased of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, in our opinion, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time
- (vi) The Company has not accepted any deposits from the public during the year covered by the audit. Accordingly, clause 4 (vi) of the Order is not applicable to the Company.
- (vii) *There is no formal internal audit system in the Company.* However, on the basis of a broad review of the internal control system, we are of the opinion that there is adequate internal control system commensurate with the size of the company and the nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, for any of the products of the Company.
- (ix) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable were outstanding at the year end for a period of more than six months from the date they became payable.

According to the records of the Company, there are no dues of Income tax, Service tax, Custom Duty, Sales Tax, Wealth Tax and Cess, which have not been deposited on account of any dispute.

The disputed amounts that have not been deposited in respect of Income Tax, Service tax and Excise Duty are as under:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which it relates	Forum where dispute is pending.
Income tax Act, 1961	Income Tax Dues	456,084	2007-08	Commissioner of Income Tax (Appeals)

- (x) The Company does not have accumulated losses at the end of the financial year. Further, the Company has not incurred any cash losses during the financial year ended March 31, 2011 and in the immediately preceding financial year ended March 31, 2010.
- (xi) On the basis of our examination of the documents and records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks during the year. The Company has not taken any loans from financial institutions and has not issued debentures during the year.
- (xii) On the basis of our examination of the documents and records and according to the information and explanation given to us, the Company has not granted any loans and advances during the year on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Order is not applicable to the Company.

- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies. Accordingly, clause 4 (xiii) of the Order is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the Order is not applicable to the Company.
- (xvi) On the basis of our examination of the documents and records and according to the information and explanations given to us, we are of the opinion that term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we are of the opinion that no funds raised on short-term basis have been used for long-term investments by the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed by us and according to the information and explanations given by the management, no fraud on or by the Company has been noticed or reported during the year.

FOR M. L. BHUWANIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 101484W

Sd/-
J. P. BAIRAGRA
PARTNER
Membership No. 012839

Place: Mumbai
Date: 30th May, 2011

MODISON METALS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE	AS AT 31.03.2011		AS AT 31.03.2010	
		RUPEES	RUPEES	RUPEES	RUPEES
SOURCES OF FUNDS :					
SHAREHOLDER'S FUNDS :					
SHARE CAPITAL	A	32,450,000		32,450,000	
RESERVES & SURPLUS	B	<u>703,914,594</u>	736,364,594	584,093,498	616,543,498
LOAN FUNDS :					
SECURED LOANS	C		83,007,802		99,653,175
DEFERRED TAX LIABILITY (NET) (Refer Note 13 of Schedule 'S')			63,002,706		62,213,976
TOTAL			<u><u>882,375,102</u></u>		<u><u>778,410,649</u></u>
APPLICATION OF FUNDS :					
FIXED ASSETS :					
GROSS BLOCK	D	763,278,130		698,036,365	
LESS: ACCUMULATED DEPRECIATION/ AMORTISATION		<u>303,143,541</u>		<u>258,767,373</u>	
NET BLOCK		460,134,589		439,268,992	
CAPITAL WORK IN PROGRESS		<u>6,245,100</u>	466,379,689	<u>1,229,726</u>	440,498,718
CURRENT ASSETS, LOANS & ADVANCES :					
INVENTORIES	E	382,855,109		239,249,375	
SUNDRY DEBTORS	F	138,805,140		114,831,018	
CASH & BANK BALANCES	G	11,489,792		57,795,494	
OTHER CURRENT ASSETS	H	923,745		3,663,716	
LOANS & ADVANCES	I	<u>203,494,237</u>		<u>195,180,795</u>	
	(A)	737,568,024		610,720,397	
LESS:					
CURRENT LIABILITIES AND PROVISIONS :					
CURRENT LIABILITIES	J	114,385,771		83,399,230	
PROVISIONS	K	<u>207,186,840</u>		<u>189,409,237</u>	
	(B)	321,572,611		272,808,467	
NET CURRENT ASSETS (A) - (B)			415,995,413		337,911,931
TOTAL			<u><u>882,375,102</u></u>		<u><u>778,410,649</u></u>
NOTES ON ACCOUNTS	S				

The Schedules referred above form an integral part of the Balance Sheet.

AS PER OUR REPORT ATTACHED OF EVEN DATE
FOR M. L. BHUWANIA & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-
J. P. BAIRAGRA
PARTNER
Membership No. 12839
Mumbai, 30th May, 2011

Sd/-
G. L. MODI
MANAGING DIRECTOR
Mumbai, 30th May, 2011

Sd/-
SURESH MODY
DIRECTOR

MODISON METALS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED	
		31.03.2011 RUPEES	31.03.2010 RUPEES
<u>INCOME</u>			
SALES (GROSS)		1,375,603,711	1,035,930,473
LESS: EXCISE DUTY		<u>108,774,271</u>	<u>70,884,096</u>
LABOUR CHARGES		1,266,829,440	965,046,377
OTHER INCOME	L	367,868	368,297
		4,998,371	8,623,462
		<u>1,272,195,679</u>	<u>974,038,136</u>
<u>EXPENDITURE</u>			
COST OF MATERIAL	M	787,032,896	607,165,391
SALARIES, WAGES AND OTHER BENEFITS	N	59,856,103	53,382,539
MANUFACTURING & OTHER EXPENSES	O	73,726,238	53,646,579
SALES, ADMINISTRATION & OTHER EXPENSES	P	55,039,575	31,654,257
IN-HOUSE R & D EXPENSES	Q	2,071,757	964,696
FINANCE EXPENSES	R	10,592,412	10,255,236
DEPRECIATION / AMORTISATION (Refer Note 1. B(d) of Schedule 'S')		46,968,265	40,566,075
LESS: TRANSFER FROM REVALUATION RESERVE		<u>831,033</u>	<u>-876,932</u>
		<u>1,034,456,213</u>	<u>796,757,841</u>
PROFIT BEFORE TAXATION		237,739,465	177,280,295
PROVISION FOR TAXATION			
- CURRENT TAX [INCLUDING Rs. 16,000 (PREVIOUS YEAR: Rs.15,000) FOR WEALTH TAX]		78,616,000	54,115,000
- DEFERRED TAX		788,729	5,124,808
PROFIT AFTER TAXATION		<u>158,334,736</u>	<u>118,040,487</u>
PRIOR YEAR TAX ADJUSTMENT		31,594	39,908
BALANCE BROUGHT FORWARD		158,366,330	118,080,395
PROFIT AVAILABLE FOR DISTRIBUTION		<u>654,455,678</u>	<u>536,469,003</u>
<u>APPROPRIATIONS</u>			
PROPOSED DIVIDEND		32,450,000	24,337,500
PROVISION FOR CORPORATE DIVIDEND TAX		5,264,201	4,042,155
TRANSFERRED TO GENERAL RESERVE		15,840,000	12,000,000
BALANCE CARRIED TO BALANCE SHEET		600,901,477	496,089,348
		<u>654,455,678</u>	<u>536,469,003</u>
BASIC AND DILUTED EARNING PER SHARE (Rs.) (Refer Note 12 of Schedule 'S')		4.88	3.64
NOTES ON ACCOUNTS	S		

The Schedules referred above form an integral part of the Profit & Loss Account.

AS PER OUR REPORT ATTACHED OF EVEN DATE
FOR M. L. BHUWANIA & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-
J. P. BAIRAGRA
PARTNER
Membership No. 12839
Mumbai, 30th May, 2011

Sd/-
G. L. MODI
MANAGING DIRECTOR

Sd/-
SURESH MODY
DIRECTOR

Mumbai, 30th May, 2011

MODISON METALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2011

PARTICULARS	2010-11	2010-11	2009-2010	2009-2010
	RUPEES	RUPEES	RUPEES	RUPEES
A. CASH FLOW FROM OPERATIONAL ACTIVITIES :				
Net Profit Before Tax and Extraordinary Item		237,739,465		177,280,295
Adjustments for :				
Depreciation / amortisation	46,137,232		39,689,143	
Interest Paid	10,592,412		10,255,236	
Interest Received	(1,490,779)		(6,673,323)	
(Profit) / Loss on Sale of Fixed Assets	154,014		(106,016)	
Dividend Receipt	(27,032)		0	
Sundry Balances written off / (back) (net)	240,075		(103,650)	
Provision for Leave Salary	146,184		282,927	
Provision for gratuity	825,084		104,734	
Unrealised Exchange rate fluctuation (net)	634,915		(696,769)	
		57,212,105		42,752,282
Operating Profit Before Working Capital Changes		294,951,570		220,032,577
Adjustment for :				
Trade Receivables	(24,002,465)		(40,699,224)	
Inventories	(143,605,734)		(81,277,191)	
Other Current Assets	759,601		266,129	
Loans & Advances	(1,641,471)		(25,380,983)	
Current Liabilities and Provisions	31,153,399		47,428,445	
		(137,336,669)		(99,662,824)
Cash Generated from Operations		157,614,901		120,369,753
Direct Taxes Paid including FBT (Net of refund incl.interest)		(77,873,056)		(47,240,626)
Cash Flow Before Extraordinary Items		79,741,845		73,129,127
Extraordinary Item		0		0
Net Cash From Operating Activities		79,741,845		73,129,127
B. CASH FLOW FROM INVESTMENT ACTIVITIES :				
Purchase of Fixed Assets (including advances for capital goods)	(74,118,350)		(71,048,231)	
Sale of Fixed Assets	1,115,100		247,778	
Dividend Receipt	27,032		0	
Interest Income	3,445,448		6,232,883	
Net Cash from / (Used) In Investment Activities		(69,530,770)		(64,567,570)
C. CASH FLOW FROM FINANCIAL ACTIVITIES :				
Proceeds from Borrowings (Net)	(17,589,069)		(15,061,700)	
Interest Paid	(10,771,979)		(10,289,749)	
Dividend Paid (Including Corporate Dividend Tax)	(28,155,729)		(15,121,961)	
Net Cash From Financing Activities		(56,516,776)		(40,473,410)
Net increase / (decrease) in Cash		(46,305,702)		(31,911,853)
Opening Balance of Cash and Cash Equivalents	57,795,494		89,707,347	
Closing Balance of Cash and Cash Equivalents	11,489,792	(46,305,701)	57,795,494	(31,911,853)

Note: 1) Cash and Cash Equivalents include:

Cash on Hand	321,563	191,318
Balances with Scheduled Banks:		
In Current Accounts	8,727,491	676,526
In Margin Money Accounts	2,440,739	2,228,208
In Fixed Deposit Accounts	0	54,699,442
	<u>11,489,792</u>	<u>57,795,494</u>

2) Previous Year's figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.

**AS PER OUR REPORT ATTACHED OF EVEN DATE
FOR M. L. BHUWANIA & CO.
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF THE BOARD,

Sd/-
J. P. BAIRAGRA
PARTNER
Membership No. 12839
Mumbai, 30th May, 2011

Sd/-
G. L. MODI
MANAGING DIRECTOR

Sd/-
SURESH MODY
DIRECTOR

MODISON METALS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	AS AT	
	31.03.2011	31.03.2010
	Rs.	Rs.
<u>SCHEDULE 'A' : SHARE CAPITAL</u>		
<u>AUTHORISED CAPITAL:</u>		
32,500,000 EQUITY SHARES OF Rs. 1/- EACH (Previous Year: 32,500,000 Equity Shares of Rs.1/- each)	32,500,000	32,500,000
<u>ISSUED, SUBSCRIBED AND PAID UP :</u>		
32,450,000 EQUITY SHARES OF Rs.1/- EACH FULLY PAID (Previous Year: 32,450,000 Equity Shares of Rs.1/- each)	32,450,000	32,450,000
Note:		
1) Out of the above shares 30,000,000 (Previous year 30,000,000) shares had been allotted as fully paid-up, pursuant to a Scheme of Amalgamation of erstwhile Modison Metals Limited, without payment being received in cash)		
<u>SCHEDULE 'B' : RESERVES & SURPLUS</u>		
<u>CAPITAL RESERVE:</u>		
AS PER LAST BALANCE SHEET	19,087,980	19,087,980
	19,087,980	19,087,980
<u>REVALUATION RESERVE:</u>		
AS PER LAST BALANCE SHEET	6,901,545	7,909,996
LESS : TRANSFERRED TO PROFIT & LOSS ACCOUNT	831,033	876,932
LESS : REVERSAL OF REVALUED WRITTEN DOWN VALUE OF ASSETS SOLD	459	131,519
	6,070,053	6,901,545
<u>GENERAL RESERVE :</u>		
AS PER LAST BALANCE SHEET	62,014,625	49,995,706
ADD: TRANSFERRED FROM PROFIT & LOSS ACCOUNT	15,840,000	12,000,000
ADD: PROFIT ON SALE OF MACHINE	459	18,919
	77,855,084	62,014,625
<u>PROFIT & LOSS ACCOUNT:</u>		
BALANCE AS PER PROFIT & LOSS ACCOUNT	600,901,477	496,089,348
	703,914,594	584,093,498

MODISON METALS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	AS AT	
	31.03.2011	31.03.2010
	Rs.	Rs.
<u>SCHEDULE 'C' : SECURED LOANS</u>		
TERM LOANS FROM BANK (Refer Note 1)		
FOREIGN CURRENCY LOAN	29,525,290	56,603,818
RUPEE LOAN	21,079,248	-
WORKING CAPITAL LOAN FROM BANK (Refer Note 2)		
FOREIGN CURRENCY LOAN	19,048,500	14,716,000
RUPEE LOAN	9,295,068	28,333,357
VEHICLE LOAN (Refer Note 3)		
VEHICLE LOAN FROM BANK	4,059,696	-
	<u>83,007,802</u>	<u>99,653,175</u>

NOTES:-

- 1) TERM LOAN FACILITIES ARE SECURED BY FIRST PARI PASSU CHARGE ON ALL (PRESENT AND FUTURE) FACTORY FIXED ASSETS OF THE COMPANY INCLUDING EQUITABLE MORTGAGE ON FACTORY LAND & BUILDING AT VAPI.
- 2) WORKING CAPITAL FACILITIES ARE SECURED BY HYPOTHECATION OF STOCKS & BOOK DEBTS AND FURTHER SECURED BY COLLATERAL SECURITY OF ALL MOVABLE AND IMMOVABLE FACTORY PROPERTIES.
- 3) VEHICLE LOAN SECURED AGAINST HYPOTHECATION OF VEHICLE.

MODISON METALS LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 'D' : FIXED ASSETS

FIGURES IN RUPEES

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	AS ON 01.04.2010	THIS YEAR		AS ON 31.03.2011	PROVIDED UPTO 31.03.2010	THIS YEAR		TOTAL UPTO 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
		ADDITION	SALES			DEDU- CTION	PROVI- SION			
LEASEHOLD LAND	9,446,414	-	-	9,446,414	-	-	-	-	9,446,414	9,446,414
OFFICE PREMISES	6,030,910	-	-	6,030,910	1,849,689	-	209,061	2,058,750	3,972,160	4,181,221
FACTORY BUILDING	86,723,610	-	-	86,723,610	28,906,643	-	2,939,086	31,845,729	54,877,881	57,816,967
RESIDENTIAL BUILDING	176,356	-	-	176,356	121,198	-	2,758	123,956	52,400	55,158
PLANT & MACHINERY	559,867,955	59,159,496	3,180,630	615,846,821	200,940,983	2,097,048	41,014,841	239,858,776	375,988,045	358,926,972
FURNITURE & FIXTURE	7,738,859	-	-	7,738,859	5,076,395	-	481,906	5,558,301	2,180,558	2,662,464
VEHICLES	10,774,540	6,124,976	658,038	16,241,478	7,247,513	494,697	1,137,583	7,890,399	8,351,079	3,527,027
OFFICE EQUIPMENTS	16,469,034	1,978,270	22,543	18,424,761	14,058,869	352	826,882	14,885,399	3,539,362	2,410,165
INTANGIBLE ASSETS-KNOW HOW	808,687	-	-	808,687	566,083	-	80,869	646,952	161,735	242,604
INTANGIBLE ASSETS-COMPUTER SOFTWARE	-	1,840,234	-	1,840,234	-	-	275,279	275,279	1,564,955	-
TOTAL	698,036,365	69,102,976	3,861,211	763,278,130	258,767,373	2,592,097	46,968,265	303,143,541	460,134,589	439,268,992
PREVIOUS YEAR :	630,118,060	70,678,866	2,760,561	698,036,365	220,707,497	2,506,199	40,566,075	258,767,373	439,268,992	
CAPITAL WORK IN PROGRESS									6,245,100	1,229,726

NOTES:

1. Capital work in progress includes Plant & Machinery of Rs.4,907,032 (Previous year: Rs.1,229,726) and Software of Rs.1,338,068 (Previous year: Rs.NIL)

2. Office Premises include Rs.250 (Previous Year: Rs.250) being the face value of Investment in shares of a Co-operative Premises Society.

MODISON METALS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	AS AT	
	31.03.2011 Rs.	31.03.2010 Rs.
SCHEDULE 'E' : INVENTORIES		
<i>(As taken, valued and certified by a Director, at lower of cost and net realisable value unless otherwise stated)</i>		
CONSUMABLE TOOLS	1,150,242	677,662
FINISHED GOODS	1,377,792	389,600
RAW MATERIAL (INCLUDING GOODS IN TRANSIT)	77,886,590	38,391,347
STORES & SPARES	246,622	50,780
PACKING MATERIAL	8,730	7,182
WORK IN PROGRESS	290,469,139	192,116,024
SCRAP (AT NET REALISABLE VALUE)	11,715,994	7,616,780
	382,855,109	239,249,375
SCHEDULE 'F' : SUNDRY DEBTORS		
<i>(Unsecured, considered good, unless stated otherwise)</i>		
DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS		
CONSIDERED GOOD	3,554,649	1,035,192
CONSIDERED DOUBTFUL	106,526	106,526
	3,661,175	1,141,718
LESS: PROVISION FOR DOUBTFUL DEBTS	(106,526)	(106,526)
	3,554,649	(106,526)
OTHER DEBTS		
CONSIDERED GOOD	135,250,492	113,795,826
	138,805,140	114,831,018
SCHEDULE 'G' : CASH & BANK BALANCES		
CASH ON HAND	321,563	191,318
BALANCES WITH SCHEDULED BANKS:		
IN CURRENT ACCOUNTS	8,727,491	676,526
IN MARGIN MONEY ACCOUNT	2,440,739	2,228,208
IN FIXED DEPOSITS	-	54,699,442
	11,489,792	57,795,494
SCHEDULE 'H' : OTHER CURRENT ASSETS		
INTEREST RECEIVABLE	464,235	2,418,904
DUTY DRAWBACK RECEIVABLE	205,036	336,131
OTHER CURRENT ASSETS	254,474	908,681
	923,745	3,663,716
SCHEDULE 'I' : LOANS & ADVANCES		
<i>(Unsecured, considered good)</i>		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR		
VALUE TO BE RECEIVED	5,783,176	6,529,320
ADVANCE AGAINST CAPITAL GOODS	28,580,241	13,345,265
ADVANCE TO SUPPLIERS	1,400,760	12,670,269
ADVANCES TO STAFF	723,562	966,290
ADVANCE INCOME TAX & TAX DEDUCTED AT SOURCE	156,342,873	149,116,092
ADVANCE FRINGE BENEFIT TAX	457,396	923,738
DEPOSIT WITH GOVT. AUTHORITIES	3,708,560	3,669,942
BALANCE WITH CENTRAL EXCISE DEPT.	6,179,506	5,766,744
OTHER DEPOSITS	318,163	2,193,135
	203,494,237	195,180,795
SCHEDULE 'J' : CURRENT LIABILITIES		
SUNDRY CREDITORS (Refer Note 4 of Schedule 'S')		
FOR CAPITAL GOODS	787,999	580,660
FOR PURCHASE OF GOODS	4,551,926	2,104,569
FOR OTHERS	9,166,648	5,623,333
ADVANCE RECEIVED FROM CUSTOMERS	84,424,937	62,663,264
OTHER LIABILITIES	14,800,201	11,817,702
INVESTOR EDUCATION & PROTECTION FUND:*		
-UNPAID DIVIDEND	376,512	152,586
INTEREST ACCRUED BUT NOT DUE	277,549	457,116
	114,385,771	83,399,230
* Amount due to be deposited as on 31.03.2011 is Rs.Nil		
SCHEDULE 'K' : PROVISIONS		
FOR GRATUITY	3,595,467	2,770,383
FOR INCOME TAX	164,547,810	156,610,679
FOR WEALTH TAX	16,000	15,000
FOR FRINGE BENEFIT TAX	428,556	894,898
FOR PROPOSED DIVIDEND	32,450,000	24,337,500
FOR CORPORATE DIVIDEND TAX	5,264,201	4,042,155
FOR LEAVE SALARY	884,806	738,622
	207,186,840	189,409,237

MODISON METALS LIMITED

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	<u>FOR THE YEAR ENDED</u>	
	<u>31.03.2011</u>	<u>31.03.2010</u>
	<u>Rs.</u>	<u>Rs.</u>
<u>SCHEDULE 'L' : OTHER INCOME</u>		
INTEREST RECEIVED (TDS Rs. 140,747, Previous Year: Rs.909,003) (on Fixed Deposits, from Customers & Interest on Gujrat Electricity Board)	1,490,779	6,673,323
PROFIT ON SALE OF FIXED ASSETS (NET)	-	106,016
DUTY DRAWBACK RECEIVED	1,951,375	1,804,984
DIVIDEND RECEIVED	27,032	-
EXCHANGE FLUCTUATION (NET)	1,406,349	-
MISCELLANEOUS INCOME	122,837	39,139
	<u>4,998,371</u>	<u>8,623,462</u>
 <u>SCHEDULE 'M' : COST OF MATERIAL</u>		
<i>RAW MATERIAL CONSUMED</i>		
OPENING STOCK	36,817,155	31,063,485
ADD: PURCHASE	929,561,209	686,821,327
	<u>966,378,364</u>	<u>717,884,812</u>
LESS: SALE OF RAW MATERIAL	728,470	229,456
LESS: CLOSING STOCK	76,947,209	36,817,155
	<u>888,702,685</u>	<u>680,838,201</u>
 <i>VARIATION IN STOCK :</i>		
<i>OPENING STOCK:</i>		
FINISHED GOODS	389,600	1,329,736
WORK IN PROGRESS	192,116,024	119,713,706
SCRAP	7,616,780	4,243,223
	<u>200,122,404</u>	<u>125,286,665</u>
<i>LESS : CLOSING STOCK</i>		
FINISHED GOODS	1,377,792	389,600
WORK IN PROGRESS	290,469,139	192,116,024
SCRAP	11,715,994	7,616,780
	<u>303,562,925</u>	<u>200,122,404</u>
	<u>(103,440,521)</u>	<u>(74,835,739)</u>
	<u>785,262,164</u>	<u>606,002,462</u>
 PACKING MATERIAL CONSUMED	 1,770,732	 1,162,929
TOTAL	<u>787,032,896</u>	<u>607,165,391</u>
 <u>SCHEDULE 'N' : SALARIES, WAGES AND OTHER BENEFITS</u>		
SALARIES, WAGES & BONUS	54,898,310	48,880,505
CONTRIBUTION TO OTHER FUNDS	2,851,202	2,676,365
STAFF WELFARE EXPENSES	2,106,591	1,825,669
	<u>59,856,103</u>	<u>53,382,539</u>

MODISON METALS LIMITED

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH , 2011

	For the year	
	2010-11	2009-10
	Rs.	Rs.
<u>SCHEDULE 'O' : MANUFACTURING & OTHER EXPENSES</u>		
STORES & SPARES CONSUMED	9,819,897	8,710,536
CONSUMABLE TOOLS & DIES	9,345,484	6,275,212
PROCESSING CHARGES	5,635,318	2,911,524
POWER & FUEL EXPENSES	25,506,874	22,744,475
REPAIRS & MAINTENANCE :		
ON PLANT & MACHINERY	11,141,330	5,314,157
ON BUILDING	122,763	240,314
ON OTHERS	961,825	1,168,405
RATES & TAXES	650,252	272,926
RENT	409,160	480,500
INSURANCE	1,637,875	1,258,765
PROFESSIONAL CHARGES	1,836,131	516,065
LABOUR CHARGES PAYMENT	4,776,464	2,171,042
OTHER MANUFACTURING EXPENSES	1,882,865	1,582,658
	<u>73,726,238</u>	<u>53,646,579</u>
<u>SCHEDULE 'P': SALES, ADMINISTRATION & OTHER EXPENSES</u>		
ADVERTISEMENT & SALES PROMOTION	863,410	521,759
BANK CHARGES	3,243,731	1,467,987
COMMISSION ON SALES	8,310,738	6,159,059
FOREIGN TRAVELLING EXPENSES	2,995,135	2,734,095
TRAVELLING & CONVEYANCE	1,380,035	1,031,204
LEGAL & PROFESSIONAL CHARGES	2,333,096	842,323
AUDITORS' REMUNERATION (Refer Note 6 of Schedule 'S')	379,155	253,155
OFFICE RENT	-	400,000
TELEPHONE & TELEX EXPENSES	779,094	701,244
VEHICLE EXPENSES	1,923,909	1,455,665
LOSS ON HEDGING A/C	11,377,119	1,380,370
LOSS ON SALE OF FIXED ASSETS (NET)	154,014.00	-
LOSS ON EXCHANGE FLUCTUATION (NET)	-	519,456
MISCELLANEOUS EXPENSES	21,300,138	14,187,940
	<u>55,039,575</u>	<u>31,654,257</u>
<u>SCHEDULE 'O' : IN-HOUSE R&D EXPENSES</u>		
SALARIES & OTHER BENEFITS	1,988,952	933,738
OTHER EXPENSES	82,805	30,958
	<u>2,071,757</u>	<u>964,696</u>
<u>SCHEDULE 'R' : FINANCE EXPENSES</u>		
INTEREST ON TERM LOANS FROM BANK	2,565,462	2,041,034
OTHER INTEREST		
TO BANK	7,847,817	4,415,350
TO OTHERS*	179,131	3,798,852
	<u>10,592,412</u>	<u>10,255,236</u>

* Includes Interest paid to Managing Director Rs. NIL (Previous Year : Rs.24,788)

SCHEDULE 'S':

NOTES ON ACCOUNTS:

1. ACCOUNTING POLICIES:

A. The financial statements are prepared under historical cost convention on an accrual basis and in accordance with the applicable Accounting Standards and the relevant provisions of the Companies Act, 1956.

B. FIXED ASSETS:

- a) Certain assets had been revalued by the Company in the year 1993 - 1994, these assets are appearing at revalued amounts less accumulated depreciation. All other assets are appearing at historical cost less accumulated depreciation.
- b) Depreciation in respect of Factory Building, Plant & Machinery for SF6 Project, Electric Installation for SF6 project, R&D Plant & Machinery, Factory Buildings at Plot No. 85-B and Plot Nos. 85/D & E has been provided on straight line method and in respect of all other assets on written down method at the rate specified in accordance with Schedule XIV of the Companies Act, 1956.
- c) No amortisation is provided in accounts in respect of Leasehold Land.
- d) Depreciation for the year on the assets revalued in the earlier years has been calculated on their respective revalued figures at the rate specified in accordance with Schedule XIV of the Companies Act, 1956. The additional charge of depreciation during the year on account of revaluation has been withdrawn from revaluation reserve and credited to Profit and Loss Account.
- e) Intangible Assets are identified when they are expected to provide future enduring economic benefits. The assets are identified in the year in which the relevant asset is put to use. The assets are amortised over a period of estimated useful life as determined by the management. Expenditure on Know-How is amortised over a period of 10 years on Straight Line Method. Expenditure on Software is amortised over a period of five year on straight line method.

C. INVENTORIES:

Consumable tools, raw material, packing material, work in progress, finished goods and stores & spares have been valued at lower of cost and net realisable value. Cost of Finished Goods and Work-In-Progress has been ascertained at estimated cost. Cost of Raw Material has been ascertained on Weighted Average Cost Basis. Cost of other inventories has been ascertained on First-In-First-Out method (FIFO). Silver booked by customers for their process work has been valued at the rates at which the same is booked by them. Scrap is valued at Net Realizable Value.

D. INVESTMENTS:

Long term investments are stated at cost. Provision for diminution in the value of investments is made only if such decline is other than temporary in the opinion of the management.

E. FOREIGN CURRENCY TRANSACTIONS:

Transactions in foreign exchange, other than those covered by forward exchange contracts are accounted at the rates prevailing on the date of transaction. All monetary assets and liabilities denominated in foreign currency are restated at the rate prevailing at the year end. All other exchange differences are accounted for in the Profit & Loss Account except in case of transactions covered by forward exchange contracts where exchange difference is recognized over the life of the contract.

F. REVENUE RECOGNITION:

Dividend is accounted as and when received.

Sales is recognized when the significant risk and rewards of ownership of the goods are passed on to the customer. Sales is inclusive of excise duty, exclusive of Value Added Tax (VAT) and is net of returns.

G. EMPLOYEE BENEFITS:

- a) Short Term Employee benefits are recognised as an expense at the undiscounted amounts in the Profit & Loss Account of the year in which the related service is rendered.
- b) Contribution payable to the recognised Provident Fund which is Defined Contribution Scheme is charged to Profit & Loss Account.
- c) Liabilities in respect of Defined Benefit Plans are determined based on actuarial valuation made by an independent actuary as at the Balance Sheet date. The actuarial gains or losses are recognised immediately in the Profit & Loss Account.
- d) In case of non-member of the Gratuity Fund, the same is provided as per the approval of Central Government and as per Payment of Gratuity Act, 1972, wherever applicable.

H. TAXATION:

- a) Provision for Current Tax is made in the accounts on the basis of estimated Tax Liability, as per the applicable provision of the Income- tax Act, 1961.
- b) The Deferred Tax for timing difference between Book Profits and Tax Profits for the year is accounted for using the tax rate and laws that have been enacted or substantially enacted as of the Balance Sheet Date. Deferred Tax assets arising from timing differences are recognized to the extent there is a virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet Date.

I. LEASE:

Lease rentals in respect of assets acquired under operating leases are charged off to the Profit & Loss Account as incurred. Lease rentals in respect of assets given under operating leases are credited to the Profit & Loss Account.

J. IMPAIRMENT OF ASSETS:

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

K. PROVISION AND CONTINGENT LIABILITIES:

The company creates a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

- 2. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) is Rs. 31,281,400 (previous year Rs. 6,758,250).

(Amount in Rupees)

2010-11 2009-10

3) CONTINGENT LIABILITIES:

a) Disputed Income Tax Liability	456,084	NIL
b) Bonds issued under Export Promotion Capital Goods Scheme	3,369,825	NIL

4. The Company has not received information from Vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006, and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given. The same has been relied upon by the Auditors.

5. Balances of Sundry Debtors, Loans & Advances and Creditors are subject to confirmation and consequential adjustment, if any.

6. AUDITORS' REMUNERATION:

(Amount in Rupees)

2010-11 2009-10

Audit Fees (Including Limited Review)	166,000	156,000
Tax Audit Fees	65,000	65,000
Certification and Other Services	148,155	32,000
Towards Service Tax (Refer Note below)	39,037	<u>26,061</u>
	<u>418,192</u>	<u>279,061</u>

Note: Out of above Service Tax credit of Rs. 38,882 (Previous year: Rs.25,906) has been taken and the same has not been debited to Profit & Loss Account.

7. DIRECTORS' REMUNERATION:

(Amount in Rupees)

2010-11 2009-10

Salaries	11,865,810	10,080,000
Perquisites	406,824	343,870
Provision For Gratuity	294,231	294,230
Contribution to Provident Fund	33,037	23,040
	<u>12,599,902</u>	<u>10,741,140</u>

8. Employee Benefits:

The disclosures as required under the Accounting Standard 15 (Revised) are as under:-

The Company has schemes for long-term benefits such as Provident Fund, Gratuity and leave encashment. In case of funded scheme, the funds are recognized by the Income tax authorities and administered through trustees / appropriate authorities. The Company's defined benefit plans include gratuity and leave encashment. The companies Defined Contribution Plan includes Provident Fund. Accordingly related disclosures are as under:

(Amount in Rupees)

a)	Defined Contribution Plan	31.03.11	31.03.10
	Contribution to Provident Fund	1,614,757	1,586,420
b)	Defined Benefit Plans:-		
I	Gratuity (Funded Plan)		
1	Assumptions		
	Discount Rate	8%	8%
	Salary Escalation	4%	4%
2.	Table showing changes in present value of obligations		
	Present value of obligations as at beginning of year	3,857,492	3,033,335
	Interest cost	308,599	242,667
	Current Service Cost	232,932	176,415
	Benefits Paid	(151,985)	(30,764)
	Actuarial (gain)/Loss on obligations	789,480	435,839
	Present value of obligations as at end of year	5,036,518	3,857,492
3.	Table showing changes in the fair value of plan assets		
	Fair value of plan assets at beginning of year	3,884,299	2,828,262
	Expected return on plan assets	394,962	322,189
	Contributions	528,314	764,612
	Benefits paid	(151,985)	(30,764)
	Actuarial Gain / (Loss) on Plan assets	Nil	Nil
	Fair value of plan assets at the end of year	4,655,590	3,884,299
4	Table showing fair value of plan assets		
	Fair value of plan assets at beginning of year	38,84,299	28,28,262
	Actual return on plan assets	394,962	322,189
	Contributions	528,314	764,612
	Benefits Paid	(151,985)	(30,764)
	Fair value of plan assets at the end of year	4,655,590	3,884,299
	Funded status	(380,928)	(26,807)
	Excess of Actual over estimated return on plan assets	Nil	Nil
	(Actual rate of return = Estimated rate of return as ARD falls on 31st March)		
5	Actuarial Gain/Loss recognized		
	Actuarial gain/(Loss) for the year –Obligation	(789,480)	(435,839)
	Actuarial (gain)/Loss for the year - plan assets	Nil	Nil
	Total (gain)/Loss for the year	789,480	435,839
	Actuarial (gain)/Loss recognized in the year	789,480	435,839
6	The amounts to be recognized in the balance sheet and statements of profit and loss		
	Present value of obligations as at the end of year	5,036,518	3,857,492
	Fair value of plan assets as at the end of the year	4,655,590	3,884,299
	Funded status	(380,928)	26,807
	Net Asset/(liability) recognized in balance sheet	380,928	(26,807)
7	Expenses Recognised in statement of Profit & loss		
	Current Service cost	232,932	174,615
	Interest Cost	308,599	242,667
	Expected return on plan assets	(394,962)	(322,189)
	Net Actuarial (gain)/Loss recognised in the year	789,480	435,839
	Expenses recognised in statement of Profit & loss	936,049	532,732

(Amount in Rupees)

II Leave Encashment	31.03.11	31.03.10
	Leave Encashment (Funded Plan)	Leave Encashment (Non-Funded Plan)
1 Assumptions		
Discount Rate	8%	8%
Salary Escalation	4%	4%
2. Table showing changes in present value of obligations		
Present value of obligations as at beginning of year	621,858	462,162
Interest cost	49,749	36,973
Current Service Cost	92,523	55,682
Benefits Paid	(133,433)	(4,667)
Actuarial (gain)/Loss on obligations	98,645	71,708
Present value of obligations as at end of year	729,342	621,858
3. Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	388,191	271,450
Expected return on plan assets	61,340	31,501
Contributions	326,190	89,907
Benefits paid	(133,433)	(4,667)
Actuarial Gain / (Loss) on Plan assets	Nil	Nil
Fair value of plan assets at the end of year	642,288	388,191
4 Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	388,191	271,450
Actual return on plan assets	61,340	31,501
Contributions	326,190	89,907
Benefits Paid	(133,433)	(4,667)
Fair value of plan assets at the end of year	642,288	388,191
Funded status	87,054	(233,667)
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	Nil	Nil
5 Actuarial Gain/Loss recognized		
Actuarial gain/(Loss) for the year –Obligation	(98,645)	(71,708)
Actuarial (gain)/Loss for the year - plan assets	Nil	Nil
Total (gain)/Loss for the year	98,645	71,708
Actuarial (gain)/Loss recognized in the year	98,645	71,708
6 The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	729,342	621,858
Fair value of plan assets as at the end of the year	642,288	388,191
Funded status	(87,054)	(233,667)
Net Asset/(liability) recognized in balance sheet	87,054	233,667
7 Expenses Recognised in statement of Profit & loss		
Current Service cost	92,523	55,682
Interest Cost	49,749	36,973
Expected return on plan assets	(61,340)	(31,501)
Net Actuarial (gain)/Loss recognised in the year	98,645	71,708
Expenses recognised in statement of Profit & loss	179,577	132,862

9. **Derivatives:**

HEDGED:

The Company has entered into Forward Hedged Exchange Contracts, being derivative instruments for hedge purpose and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables. The following are the outstanding Forward Exchange Contracts entered into by the Company:

Currency	Buy or Sell	As on 31.03.2011		As on 31.03.2010	
		Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency
EURO	BUY	-	-	3,176,125	50,000
CHF	BUY	-	-	3,167,291	76,667
CHF	BUY	19,452,501	408,335	30,074,357	641,667
CHF	BUY	800,679	16,948	1,847,057	39,954

UNHEDGED:

The year end Foreign Currency exposures that have not been hedged by a derivative instrument are as under:-

a) **Amount receivable in foreign currency on account of the following :**

Particulars	As on 31.03.2011		As on 31.03.2010		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	
Amount Receivable	4,38,703	27,418,923	12,379,556	206,705	EUR
	1,096	78,156	373,762	5,538	GBP
	2,40,421	10,681,890	12,369,811	275,558	USD

b) **Amount payable in foreign currency on account of the following :**

Particulars	As on 31.03.2011		As on 31.03.2010		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	
Amount Payable	1,836,533	28,922	492,723	8,099	EUR
	5,016,442	111,924	2,470,320	54,557	USD
Loan Liability	2,826,720	5,200,000	7,594,080	15,600,000	JPY
	7,246,068	1,47,758	12,591,965	295,517	CHF
	19,048,500	4,25,000	14,716,000	325,000	USD
Interest accrued but not due	-	-	25,926	426	EURO
	2,41,893	4,933	396,175	9,298	CHF
	7,463	13,728	20,664	42,449	JPY

10. SEGMENT REPORTING:

The company has two primary business segments, viz. Electrical Contacts and Silver Flatware. Since the segment revenue, segment result and segment assets of the segment 'Silver Flatware' is less than 1% of the respective totals, the same is considered insignificant and accordingly no primary segment is considered reportable. Since the 'sales outside India' is more than 10% of the total sales, geographical segment is reported as the secondary segment.

(Amount in Rupees)

	2010 – 11		2009 – 10	
	Within India	Outside India	Within India	Outside India
Segment Revenue	1,070,482,369	196,347,071	844,086,181	120,960,196
Segment Assets	1,167,136,362	38,178,969	1,027,250,760	25,123,129
Addition to Fixed Assets	69,102,975	-	70,678,866	-

11. RELATED PARTY DISCLOSURES:**a) LIST OF RELATED PARTIES AND RELATIONSHIPS:****I PARTIES WHERE CONTROL EXIST:**

Companies / Partnership Firms / Proprietorship Concerns where the company's director (s) along with their relatives are Director(s) / Partner(s) / Proprietor hold more than 50% voting power or share:

- i) Modicon Pvt. Ltd. (Formerly Modison Private Ltd.)
- ii) Modison Copper Pvt. Ltd.
- iii) Modison Chemtech Pvt. Ltd.
- iv) Modison Contacts Pvt. Ltd.
- v) Modison
- vi) Modison Investments
- vii) Modison International
- viii) Anujay Corporation

II KEY MANAGEMENT PERSONNEL:

- i) Mr. G. L. Modi Managing Director
- ii) Mr. Rajkumar Modi Wholetime Director

III RELATIVES OF KEY MANAGEMENT PERSONNEL:

Mr. S. M. Mody, Mr. Prakash Modi, Mr. Kumar Jay Modi, Mrs. Rama S. Modi, Mr. Anand Modi, Mr. O. P. Modi, Mrs. Chandramani Devi Modi, Mrs. Gini Devi Modi, Mrs. Lalita Devi Modi, Mr. Amit Modi, Mrs. Sarla G Modi, Mohanlal Modi H.U.F., G. L. Modi H.U.F., S. M. Mody H.U.F. and Mohanlal Modi (Estate).

b) **DETAILS OF TRANSACTIONS WITH RELATED PARTIES:**

(Amount in Rupees)					
Sr. No	Particulars	Parties Under Control	Key Management Personnel	Relatives of Key Management Personnel	Total
A) <u>TRANSACTION DURING THE YEAR:</u>					
1.	Purchase of goods	375,442,411 (305,443,905)	-- (-)	-- (-)	375,442,411 (305,443,905)
2.	Sales of goods	49,068,903 (64,665,259)	-- (-)	-- (-)	49,068,903 (64,665,259)
3.	Purchase of Fixed Assets	102,000 (4,303,120)	-- (-)	-- (-)	102,000 (4,303,120)
4.	Sale of Fixed Assets	932,217 (30,600)	-- (-)	-- (-)	932,217 (30,600)
5.	Services Rendered	593,511 (490,672)	-- (-)	-- (-)	593,511 (490,672)
6.	Services Received	378,177 (104,361)	-- (-)	-- (-)	378,177 (104,361)
7.	Loans Taken	-- (--)	-- (33,328)	-- (5,337,391)	-- (5,370,629)
8.	Loans Repaid	-- (--)	-- (595,360)	-- (63,288,498)	-- (63,883,858)
9.	Interest Payment on Loans	-- (--)	-- (36,931)	-- (3,058,383)	-- (3,095,314)
10.	Rent Paid	-- (40,000)	-- (-)	150,000 (150,000)	150,000 (550,000)
11.	Remuneration & Sitting Fees	-- (-)	10,754,095 (10,741,140)	145,247 (186,101)	10,899,342 (10,927,241)
B) <u>OUTSTANDING BALANCE AS ON 31.03.2010</u>					
1.	Loan Payable	-- -	-- -	-- -	-- -
2.	Remuneration Payable	-- (-)	683,080 (688,080)	4,037 (4,160)	687,117 (692,240)

(Figures in brackets are in respect of previous year)

NOTE: Related Party relationship is as identified by the Company and relied upon by the Auditors.

c) **DISCLOSURE OF RELATED PARTY TRANSACTION, THE AMOUNT OF WHICH IS IN EXCESS OF 10% OF TOTAL RELATED PARTY TRANSACTIONS OF THE SAME TYPE:**

PARTICULARS			Amount (Rs)	
Sr. No.	Nature of Transaction	Name of the Related Party	31.03.2011	31.03.2010
01.	Purchase of Goods	Modicon Pvt. Ltd.	182,123,988	184,177,520
		Modison Copper Pvt. Ltd.	193,318,424	121,266,385
02.	Sale of Goods	Modison Copper Pvt. Ltd.	44,275,457	54,902,156
		Modicon Pvt. Ltd.	4,793,446	8,480,003
03.	Purchase of Fixed Assets	Modison Copper Pvt. Ltd.	--	942,866
		Modicon Pvt. Ltd.	102,000	3,360,254
04.	Sale of Fixed Assets	Modison Copper Pvt. Ltd.	442,617	--
		Modicon Pvt. Ltd.	489,600	30,600
05.	Services Rendered	Modison Copper Pvt. Ltd.	392,985	46,560
		Modicon Pvt. Ltd.	200,530	444,112
06.	Services Received	Modicon Pvt. Ltd.	325,667	--
		Modison Copper Pvt. Ltd.	52,510	104,361
07.	Loans Taken	S. M. Mody	--	12,264
		Chandramanidevi Modi	--	3568,563
08.	Loans Repaid	R. K. Modi	--	195,753
		S. M. Mody	--	219,675
		Chandramanidevi Modi	--	27,946,447
		S.M. Mody HUF	--	8,065,667
		Kumar Jay G. Modi	--	67,236
09.	Interest Paid	R.K. Modi	--	12,143
		S. M. Mody	--	13,627
		Chandramanidevi Modi	--	1,092,323
		S.M. Mody HUF	--	500,320
		Ginidevi Modi	--	393,982
		G.L. Modi HUF	--	400,551
10.	Rent Paid	Modison	--	400,000
		Chandramanidevi Modi	120,000	120,000
11.	Remuneration Paid	G. L. Modi	8,572,101	8,587,137
		R. K. Modi	2,181,994	2,154,003

12. **EARNINGS PER SHARE (EPS):**

	<u>2010-11</u>	<u>2009-10</u>
i) Profit Attributable to Equity Shareholders (in Rs.)	158,366,330	118,080,395
ii) Weighted Average number of Equity Shares outstanding during the year (in Nos.)	32,450,000	32,450,000
iii) Basic and Diluted Earnings per share (in Rs.)	4.88	3.64
iv) Face value of Equity Shares (in Rs.)	1	1

13. DEFERRED TAX LIABILITY (Net):		(Amount in Rupees)		
		Opening As on 01.04.2010	Current Year Charge / Credit	Closing As on 31.03.2011
Deferred Tax Liabilities:				
i)	On account of difference between depreciation as per Books and as per Income tax Act, 1961.	63,368,749	1,001,575	64,370,324
	(A)	<u>63,368,749</u>	<u>1,001,575</u>	<u>64,370,324</u>
Deferred Tax Assets:				
i)	On account of expenses allowable on payment basis.	1,119,388	213,668	1,333,056
ii)	On account of Provision for Doubtful Debts	35,385	(823)	34,562
	(B)	<u>1,154,773</u>	<u>212,845</u>	<u>1,367,618</u>
Deferred Tax Liability (Net)		(A) – (B)	<u>788,730</u>	<u>63,002,706</u>

14. INVESTMENT PURCHASED & SOLD DURING THE YEAR:

Sr. No.	Nature of Investments	No. of Units	Purchase Amount (Rs.)
1	LICMF Savings Plus Fund – Daily Dividend Plan	2002703 (-)	20027031 (-)

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

15. During the year the company has paid a contribution of Rs.50,000/- to Bharatiya Janata Party, a political party.

16. INFORMATION AS REQUIRED TO BE GIVEN BY PART -II OF SCHEDULE VI TO THE COMPANIES ACT 1956:-

A) LICENSED & INSTALLED CAPACITY:	UNIT	Licensed Capacity #		Installed Capacity *	
		2010-11	2009-10	2010-11	2009-10
Electrical Contacts / Contacts for SF6 Circuit Breakers #	MT	N.A	N.A	450	450
Silver Flatware #	MT	N.A	N.A	5	5

Licensed Capacity is not applicable as the industry has been de-licensed.

* Installed Capacity is as certified by the management and relied upon by the Auditors.

B) PARTICULARS OF STOCK, SALES AND PRODUCTION OF FINISHED GOODS:-

Items	Unit	Opening Stock		Production	Turnover		Closing stock	
		Qty	Value (Rs.)	Qty	Qty	Value (Rs.)	Qty	Value (Rs.)
Electrical contacts /	Kgs	-	-	72,899,142	72,899,142			
Contacts for SF6 Circuit Breakers	Pcs.			169,998,611	169,986,111	1,292,041,075	12,500	1,037,580
	Kgs			(36,232,703)	(36,282,098)			
	Pcs.	(49,395)	(872,444)	(129,355,925)	(129,355,925)	(974,119,525)	(-)	(-)
Others			389,600			83,562,636		340,213
			(457,292)			(61,810,948)		(389,600)
Total			389,600			1,375,603,711		1,377,793
			(1,329,736)			(1,035,930,473)		(389,600)

NOTES:

- The Company sells Electrical Contacts / Contacts for SF6 Circuit Breakers in kgs as well as in pcs. The above quantitative information is accordingly bifurcated into units measured in kgs. and in pieces.
- Figures in brackets are in respect of previous year.

C) **RAW MATERIAL CONSUMED:**

<u>ITEMS</u>	<u>UNIT</u>	<u>2010-11</u>		<u>2009-10</u>	
		<u>Qty.</u>	<u>Value (Rs)</u>	<u>Qty.</u>	<u>Value (Rs)</u>
Silver	Kgs	15,422.921	549,699,428	18,848.551	481,619,237
Tungsten Metal Powder	Kgs	35,661.795	61,370,916	25,036.705	39,797,438
Copper Chromium/Zirconium Rod/Tube	Kgs	170,770.000	116,195,031	106,513.460	61,355,051
ETP Cu Flat/Rod/Tube/Strips	Kgs	197,434.365	86,726,026	90,057.815	34,411,671
Others			74,711,284		63,654,804
			<u>888,702,685</u>		<u>680,838,201</u>

D) **VALUE OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED:**

<u>RAW MATERIAL</u>	<u>2010-11</u>		<u>2009-10</u>	
	<u>%</u>	<u>Rs.</u>	<u>%</u>	<u>Rs.</u>
Imported *	9.50	84,459,113	5.89	40,074,856
Indigenous	90.50	80,42,43,572	94.11	640,763,345
	<u>100.00</u>	<u>888,702,685</u>	<u>100.00</u>	<u>680,838,201</u>

STORES & SPARES:

Imported *	0	0	13.66	1,189,607
Indigenous	100	9,819,897	86.34	7,520,929
	<u>100.00</u>	<u>9,819,897</u>	<u>100.00</u>	<u>8,710,536</u>

* Excludes local purchase of imported material.

E) **VALUE OF IMPORTS ON C.I.F. BASIS:**

	<u>2010-11</u>	<u>2009-10</u>
	<u>Rs.</u>	<u>Rs.</u>
Raw Material	98,983,129	33,322,056
Components & Spare Parts	2,387,967	1,097,837
Capital Goods	35,078,141	54,115,432

F) **EXPENDITURE IN FOREIGN CURRENCY:**

Foreign Travelling (Out of the above Rs. 190,512 has been capitalized (Previous Year: Rs. 116,028))	1,159,056	713,710
Commission	8,186,810	6,104,930
Interest	2,483,330	2,124,971
Others	2,104,650	32,478

G) **EARNING IN FOREIGN EXCHANGE:**

Exports at F.O.B. Value	190,225,970	117,332,830
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H) **R&D EXPENDITURE:**

Capital Expenditure included in Fixed Assets	2,755,295	Nil
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17. OPERATING LEASES DISCLOSURE:

Assets Taken on Lease

The company's major leasing arrangements are in respect of staff quarters and office premises taken on Lease and Licence basis. The aggregate lease rentals of Rs 409,160 and Rs. Nil (Previous Year: 480,500 and Rs.400,000) are charged as Rent and shown under the Schedule of "Manufacturing Expenses" and "Sales, Administrative & Other Expenses" respectively. These leasing arrangements, which are cancelable, range between eleven months and three years generally or longer and are usually renewable by mutual consent at mutually agreed terms and conditions.

18. Previous year figures have been re-grouped / rearranged / restated wherever considered necessary to make them comparable with those of the current year.

**AS PER OUR REPORT ATTACHED OF EVEN DATE
For M. L. BHUWANIA & CO.**

FOR AND ON BEHALF OF THE BOARD

Sd/-
J. P. BAIRAGRA
PARTNER
Membership No: 012839
Chartered Accountants

Sd/-
G. L. MODI
MANAGING DIRECTOR

Sd/-
SURESH MODY
DIRECTOR

Mumbai, 30th May, 2011

Mumbai, 30th May, 2011

18. **ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956:**

A) **BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE:** **Rs. In '000**

REGISTRATION NO.	29783
STATE CODE	11
BALANCE SHEET DATE	31 ST MARCH 2011

B) **CAPITAL RAISED DURING THE YEAR:**

PUBLIC ISSUE	NIL	RIGHTS ISSUE	NIL
BONUS ISSUE	NIL	PRIVATE PLACEMENT	NIL

C) **POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:**

TOTAL LIABILITIES:	882,375	TOTAL ASSETS	882,375
<u>SOURCES OF FUNDS</u>		<u>APPLICATION OF FUNDS</u>	
PAID UP CAPITAL	32,450	NET FIXED ASSETS	466,380
RESERVES & SURPLUS	703,915	INVESTMENTS	-
SECURED LOANS	83,008	NET CURRENT ASSETS	415,995
UNSECURED LOANS	-	MISC. EXPENDITURE	-
DEFERRED TAX LIABILITY (NET)	63,003		

D) **PERFORMANCE OF THE COMPANY:**

TURNOVER / OTHER INCOME	1,272,196	TOTAL EXPENDITURE	1,034,456
PROFIT/ (LOSS) BEFORE TAX	237,739	PROFIT / (LOSS) AFTER TAX	158,366
EARNING PER SHARE (Rs.)	4.88	DIVIDEND RATE:	100%

E) **GENERIC NAMES OF PRINCIPAL PRODUCTS, SERVICES OF THE COMPANY (AS PER MONETARY TERMS):**

ITEM CODE NO	:	85.38
PRODUCT DESCRIPTION	:	SILVER ALLOY CONTACT, SILVER TUNGSTEN CONTACT, SILVER GRAPHITE CONTACT, BIMETAL CONTACT, COPPER CHROMIUM CONTACT, COPPER TUNGSTEN CONTACT, ELECTRICAL CONTACT ETC.
ITEM CODE NO.	:	710160, 710170
PRODUCT DESCRIPTION	:	PURE SILVER WIRE & STRIPS, SILVER BRAZING ALLOY, SILVER ALLOY WIRE & STRIP, ARTICLES OF SILVER (Silver Flatware).

FOR AND ON BEHALF OF THE BOARD,

Sd/-
G. L. MODI
MANAGING DIRECTOR

Sd/-
SURESH MODY
DIRECTOR

Mumbai, 30th May, 2011

MODISON METALS LIMITED

Regd. Office : 33 Nariman Bhavan, 227 Nariman Point, MUMBAI - 400 021

ATTENDANCE SLIP

..... Name of the attending Member (In Block Letters) Member's Folio No. / Client ID No
..... Name of the Proxy (In Block Letters) (to be filled if the Proxy attends instead of the Member)	

No. of Shares held:

I hereby record my presence at the **Twenty-Eighth ANNUAL GENERAL MEETING** of the Company at **Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai – 400005 on 26th July, 2011 at 11.30 A.M.**

.....
(Signature of the Attending Member / Proxy)

Notes:

- 1 Member / Proxyholder desiring to attend the Meeting must bring Attendance Slip to this Meeting and hand it over at the entrance duly signed.
- 2 Member / proxyholder desiring to attend the Meeting, should bring his copy of the Annual Report for reference at the Meeting.

----- Tear Here -----

MODISON METALS LIMITED

Regd. Office : 33 Nariman Bhavan, 227 Nariman Point, MUMBAI - 400 021

PROXY FORM

I / We _____ of _____ in the district _____ being a Member / Members of the abovenamed Company, hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 26th July, 2011 at 11.30 A.M and at any adjournment thereof.

Signed this day of 2011.

Member's Folio No. _____ Signature _____
DP ID No. _____ Client ID No. _____

Affix Re. 1.00
Revenue Stamp

Note: The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid Meeting.