

# ANNUAL REPORT - 2014 - 2015



**GLOBAL CONTACT TECHNOLOGY**

**MODISON**  
THE SILVER PEOPLE

# MODISON

THE SILVER PEOPLE



## Certificate of Nomination



**Modison Metals Ltd.**  
is a nominee in the  
**Engineering & Capital Goods Category**  
at the Emerging India Awards 2014.



TV18

## **ANNUAL REPORT: 2014-15**

### **BOARD OF DIRECTORS:**

**RANJAN DASGUPTA**

Chairman

**G. L. MODI**

Managing Director

**RAJKUMAR MODI**

Wholtime Director

**KUMAR JAY MODI**

Wholtime Director

**SURESH MODY**

**R. A. GOENKA**

**LALITA PERSHAD AGGARWAL**

(Resigned w.e.f.11.09.2014)

**B.B. SINGH,**

Additional Director (Appointed w.e.f.27.10.2014)

**RITA BHATIA**

Additional Director (Appointed w.e.f.27.10.2014)

### **CEO**

**RAKESH S. SINGH**

### **AUDITORS:**

M/s. M. L. BHUWANIA & CO.

CHARTERED ACCOUNTANTS

F-11, 3<sup>RD</sup> FLOOR, MANEK MAHAL

90, VEER NARIMAN ROAD

CHURCHGATE

MUMBAI – 400 020

### **BANKERS:**

**BANK OF INDIA**

### **REGISTERED & HEAD OFFICE**

33 NARIMAN BHAVAN

227 NARIMAN POINT

MUMBAI – 400021

Tel: 022 2202 6437

Email Id: [shareholder@modison.com](mailto:shareholder@modison.com)

Web: [www.modison.com](http://www.modison.com)

### **WORKS ADDRESS**

85A,B,D&E, E-ROAD

PHASE-I, GIDC, VAPI-396 195

DIST. VALSAD, GUJARAT

### **CONTENTS**

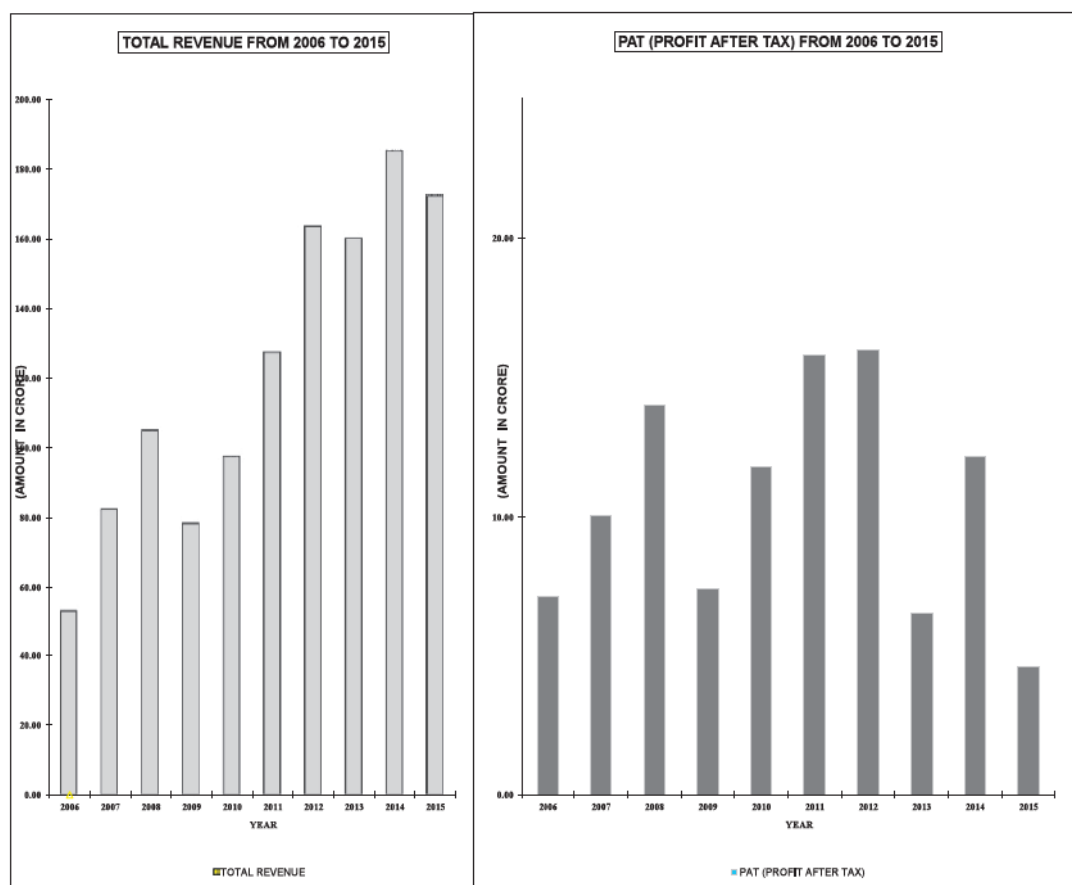
Corporate Information	01
Financial Highlights	02
AGM Notice	03-18
Directors Report	19-46
Management Analysis & Discussion Report	47-50
Corporate Governance	51-69
Independent Auditor's Report	70-73
Standalone Financial Statement	74-88
Consolidated Auditor's Report	89-94
Consolidated Financial Statement	95-111

## FINANCIAL HIGHLIGHTS

(Rupees in Crore)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TOTAL REVENUE	53.08	82.20	104.77	78.20	97.40	127.22	163.23	159.78	184.84	171.81
EBDITA	14.46	20.28	26.81	16.68	22.73	29.44	31.62	19.49	*26.79	16.75
DEPRECIATION & AMORTISATION	1.85	2.64	2.65	3.51	3.97	4.61	5.26	6.05	6.22	6.63
EBITA	12.61	17.64	24.16	13.17	18.76	24.83	26.36	13.44	20.57	10.12
TAXATION	3.91	5.44	7.95	4.05	5.92	7.94	7.68	3.72	6.27	2.04
PAT (PROFIT AFTER TAX)	7.19	10.08	14.00	7.42	11.81	15.83	15.98	6.56	12.18	4.60
EBDITA TO TOTAL REVENUE (%)	27.24	24.67	25.59	21.33	23.34	23.14	19.37	12.20	14.49	9.75
EBITA TO TOTAL REVENUE (%)	23.76	21.46	23.06	16.84	19.26	19.52	16.15	8.41	11.13	5.89
PAT TO TOTAL REVENUE (%)	13.55	12.26	13.36	9.49	12.13	12.44	9.79	4.11	6.59	2.68
NET BLOCK ( + CWIP )	30.55	30.98	38.70	41.03	44.05	46.64	54.73	62.09	60.65	59.01
PAID UP CAPITAL	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
RESERVES AND SURPLUS	20.50	29.46	41.83	49.54	58.41	70.39	82.53	85.22	92.60	94.11
NET WORTH	23.75	32.71	45.08	52.79	61.66	73.64	85.78	88.47	95.85	97.36
FEW KEY RATIOS										
EARNINGS PER SHARE (Rs.)	2.21	3.11	4.31	2.29	3.64	4.88	4.93	2.02	3.75	1.42
BOOK VALUE (Rs.)	6.98	9.78	13.62	16.02	18.79	22.51	26.28	27.13	29.42	29.89
DIVIDEND (%)	25.00	25.00	40.00	40.00	75.00	100.00	100.00	100.00	125.00	75.00

\* Excluding Exceptional Items Rs.0.79 Crore





**MODISON METALS LIMITED**

Regd. Office: 33 Nariman Bhavan, 227 Nariman Point, Mumbai-400 021  
CIN No: L51900MH1983PLC029783

**NOTICE**

NOTICE is hereby given that the Thirty Second Annual General Meeting of the members of Modison Metals Limited will be held at Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai-400005 on Tuesday, 11<sup>th</sup> August, 2015 at 11.30 A.M., to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt :
  - a) the Audited financial statements of the company for the year ended 31<sup>st</sup> March 2015, the Director's Report and Auditor's Report thereon and
  - b) the Audited Consolidated financial statements of the company for the year ended 31<sup>st</sup> March 2015.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Suresh Mody who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Rajkumar Modi who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s 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.

"RESOLVED THAT pursuant to the provisions of Section 139 (2) and 142(1) of the Companies Act, 2013, the reappointment of the Statutory Auditors of Company M/s M.L. Bhuwania & Co (Firm registration No :101484W ), Chartered Accountants, be and is hereby ratified by the members of the Company for the financial year 2015-2016 at such remuneration as may be determined by the Board of Directors of the Company."

**SPECIAL BUSINESS**

6. To regularise the appointment of Mr. B.B Singh as Director who was appointed as an Additional Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

"RESOLVED THAT Mr. B.B.Singh, who was appointed as an Additional Director by the Board of Directors with effect from October 27, 2014 in terms of Section 161 of the Companies Act, 2013 and Article 81 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of a Director , under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all the acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To regularise the appointment of Mrs. Rita Bhatia as Director who was appointed as an Additional Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

"RESOLVED THAT Mrs. Rita Bhatia, who was appointed as an Additional Director by the Board of Directors with effect from October 27, 2014 in terms of Section 161 of the Companies Act, 2013 and Article 81 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member

proposing her candidature for the office of a Director , under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all the acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To re-appoint and fix remuneration of Mr. G.L.Modi, Managing Director and in this regard to consider and if thought fit, to pass with or without modification(s) , the following resolution as a **Special Resolution:-**

"RESOLVED THAT subject to the approval of the Central Government and in accordance with the provisions of sections 2(78), 2(94), 196,197 read with Schedule V of the Companies Act, 2013, the rules made there under and all other applicable provisions, if any, of the said Act, including any statutory modification(s) or re-enactment thereof, for the time being in force, from time to time, approval of the company, be and is hereby accorded for the re-appointment of Mr. G. L. Modi as Managing Director of the company who has attained the age of 70+ years for a period of 3 (three) years, with effect from 9th July 2015 to 8th July 2018 upon the terms and conditions as set out in the Agreement entered by the Company with Mr. G L. Modi, approved by the Remuneration Committee / Board at its meeting held on 27.05.2015 as set out in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT in any financial year, if the Company has no profits or its profits are inadequate, the Company pays Mr. G. L. Modi, remuneration by way of salary, perquisites and allowances as set out in above referred Agreement as Minimum Remuneration.

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."

9. To reappoint and fix remuneration of Mr. Kumar Jay Modi as a Whole time Director and in this regard to consider and if thought fit, to pass with or without modification(s) , the following resolution as **Special Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 2(78), 2(94) ,196,197 read with Schedule V , the rules made there under and all other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the reappointment of Mr. Kumar Jay Modi as a Whole-time Director of the Company, for a period of 3 (three) years with effect from 01st April 2015 to 31<sup>st</sup> March 2018 on such terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said appointment and/ or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT in any financial year, if the Company has no profits or its profits are inadequate, the Company pays Mr. Kumar Jay Modi, remuneration by way of salary, perquisites and allowances as set out in the Agreement as Minimum Remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

10. To appoint Mr. Suresh Mody as a consultant and in this regard to consider and if thought fit, to pass with or without modification(s) , the following resolution as a **Special Resolution:-**

"RESOLVED THAT consent of the Company be and is hereby accorded under Section 197 and all other applicable provisions, if any, of the Companies Act, 2013, Mr.Suresh Mody, a Director of the Company, be appointed as a consultant of the Company for the period of 3(three) years with effect from 01.04.2015 to 31.03.2018 authorising the said Mr.Suresh Mody, a Director of the Company to draw Professional charges of Rs.10, 00,000/- per annum plus service tax, as applicable."

11. To appoint Mr. Ranjan Dasgupta as a consultant and in this regard to consider and if thought fit, to pass with or without modification(s) , the following resolution as a **Special Resolution:-**

"RESOLVED THAT consent of the Company be and is hereby accorded under Section 197 and all other applicable provisions, if any, of the Companies Act, 2013, Mr. Ranjan Dasgupta, a Director of the Company, be appointed as a consultant of the Company for the period of 3(three) years with effect from 01.04.2015 to 31.03.2018 authorising the said Mr. Ranjan Dasgupta, a Director of the Company to draw Professional charges of Rs.3,00,000/- per annum plus service tax, as applicable."

12. To appoint Mr. B.B.Singh as a consultant and in this regard to consider and if thought fit, to pass with or without modification(s) , the following resolution as a **Special Resolution:-**

"RESOLVED THAT consent of the Company be and is hereby accorded under Section 197 and all other applicable provisions, if any, of the Companies Act, 2013, Mr. B.B Singh, a Director of the Company, be appointed as a consultant of the Company for the period of 3(three) years with effect from 01.04.2014 to 31.03.2017 authorising the said Mr. B.B Singh, a Director of the Company to draw Professional charges of Rs.36,00,000/- per annum plus service tax, as applicable."

13. To ratify the fees payable to the Cost Auditors and in this regard to consider and if thought fit, to pass with or without modification(s) , the following resolution as **Ordinary Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act,2013 read with Companies (Audit and Auditors)Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. N. Ritesh & Associates, Cost Accountants (N. Ritesh, Proprietor), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year 2015-2016 and be paid professional fees of Rs.50,000/- (Rupees Fifty Thousand only) plus service tax as applicable be and is hereby ratified and confirmed,

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

14. To confirm appointment of Mrs. Rita Bhatia (DIN No: 06973893) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s) , the following resolution as **Ordinary Resolution:-**

"RESOLVED THAT pursuant to the provisions of Sections 149,150,152 read with Schedule IV and all the other applicable provisions of the Companies Act,2013 and the Companies(Appointment and Qualification of Directors) Rules, 2014(including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Rita Bhatia(DIN No: 06973893), Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the said Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years from October 27,2014 to October 26,2019."

15. To approve the proposal of delegation of authority to the Board of Directors of the Company to deal with the transactions including material transactions, if any, from time to time, with the related parties pursuant to the provisions of Section 188 of Companies Act,2013 read with the Companies(Meetings of the Board and its powers) Rules 2014 and Clause 49 of listing agreement and in this regard to consider and if thought fit, to pass the following resolutions with or without modifications(s) as Special Resolution:-  
"RESOLVED THAT pursuance to Section 188 of Companies Act, 2013 read with the Companies(Meetings of the Board and its powers) Rules 2014 and Clause 49 of listing agreement, the consent of the Company be and is hereby accorded for entering into related party transactions with parties effective from 1<sup>st</sup> April 2015 upto the maximum as specified hereunder.



Maximum Value of Contract/Transaction (Per Annum) with effect from 01 <sup>st</sup> April 2015					
Transactions defined u/s 188(1) of the Companies Act, 2013					
	Sale, Purchase or supply of any goods, materials	Selling or otherwise disposing or buying property of any kind	Leasing of property of any kind	Availing or rendering of any services: Appointment of any agent for purchase or sale of goods, materials, services or property	Donations and Donations for CSR
All Director's Interested Firm and other relatives	On actual basis whether material or not.	On actual basis, not exceeding Rs.10Crores per annum per party.	On actual basis, not exceeding Rs.1Crores per annum per party.	On actual basis, not exceeding Rs.10 Crores per annum per party in respect of rendering/availing of services and for appointment of any agent for purchase or sale of goods, materials, services or property, not exceeding Rs.10Lacs per annum per party.	
Modison Copper Pvt Ltd	Exempted: transactions in ordinary course of business and on arm's length basis.	Exempted: transactions in ordinary course of business and on arm's length basis.	Exempted: transactions in ordinary course of business and on arm's length basis.	Exempted: transactions in ordinary course of business and on arm's length basis.	
Modison Contacts Pvt Ltd					
Modison Pvt Ltd					
Modison					
Dishah Innovative Solutions Pvt Ltd					
Modicon Pvt Ltd					
Modison Engineering Pvt Ltd					
Modison Charitable Trust					Rs.75 Lacs

"RESOLVED FURTHER THAT to give effect to this resolution, the Board of Directors and/or Committee thereof be and are hereby authorized to settle any questions, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all acts, deeds, things as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings related thereto."

**MUMBAI, 27<sup>th</sup> May, 2015**

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

Registered Office:  
33 Nariman Bhavan  
227 Nariman Point  
Mumbai- 400 021.

**G. L. MODI**  
Managing Director

**NOTES:**

- A Member, who is entitled to attend and vote, is entitled to appoint a proxy and vote and the proxy need not be a member of the Company. The Proxy form must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
- An Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.

- c) Members/ proxies should bring their the Attendance Slips duly filled in for attending the meeting.
- d) Members are requested to note that the company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
- e) Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their email address , bank details, ECS mandates, nominations, power of attorney, change of address/ name etc. to their depository participant only and not to Company or its registrar and transfer Agent. The said intimation will be automatically reflected in the Company's records.
- f) The Register of Members and transfer books of the Company will be closed from 04/08/2015 to 11/08/2015 (Both days inclusive).
- g) The dividend, after declaration will be paid to those shareholders whose names stand on the Register of Members on 11<sup>th</sup> August, 2015. The dividend in respect of Shares held in the electronic form will be paid to beneficial owners of the shares whose names appear in the list furnished by the Depositories for this purpose as on 11<sup>th</sup> August, 2015. The dividend will be paid by 10<sup>th</sup> September, 2015 to the Shareholders.
- h) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company / Registrar.
- i) The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. As per the Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, companies can now send various notices/documents (including notices, annual report, etc.) to their shareholders through electronic mode, to the registered email addresses of the shareholders.
- j) Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically with Depository Participant or Registrar.
- k) 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 124(6) of the Companies Act, 2013, by the Company to "The Investor Education & Protection Fund", constituted by the Central Government under Section 125 of the Companies Act, 2013.

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
26.08.2008	2007-2008	25.08.2015
25.08.2009	2008-2009	24.08.2016
27.07.2010	2009-2010	26.07.2017
26.07.2011	2010-2011	25.07.2018
07.08.2012	2011-2012	06.08.2019
10.09.2013	2012-2013	09.09.2020
09.09.2014	2013-2014	08.09.2021

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



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

- m) 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:

	<b>Name of the Director</b>	<b>Mr. Suresh Mody</b>	<b>Mr. Rajkumar Modi</b>	<b>Mr.G.L. Modi</b>	<b>Mr.Kumar Jay Modi</b>
i)	Date of birth	23.10.1944	08.03.1965	04.06.1941	05.12.1978
ii)	Date of Appointment	01.01.1997	09.06.1998	01.01.1997	01.04.2012
iii)	Qualification	B.Com., LLB	B.Com., MBA	Diploma in Mechanical Engineering	B.Com
iv)	Expertise in specific functional area	48 year's experience in Finance and Taxation.	He has a sharp business acumen, stronghold in export market and excellent administrative skills	50 years of experience in Engineering Industry.	International Sales & Marketing
v)	List of other public limited companies (in India) in which outside directorship held	Nil	Nil	Nil	Nil
vi)	Member of the committee/s of Board of Member of the committee/s of Board of Directors of other companies in which he is a Director	Nil	Nil	Nil	Nil
vii)	Relationship with other Director	None	None	Father of Mr.Kumar Jay Modi	Son of Mr. G.L Modi

The Annual Report 2014-2015 as circulated to the members of the Company is also available on the website of the Company [www.modison.com](http://www.modison.com)

**Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services.
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The e-voting period commences on 8<sup>th</sup> August, 2015, (10:00 am) and ends on 10<sup>th</sup> August, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 4<sup>th</sup> August, 2015, may cast their vote by e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - [Login](#)
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "Modison Metals Limited".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [mail@csraginichokshi.com](mailto:mail@csraginichokshi.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

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

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

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

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 4<sup>th</sup> August, 2015.
- NOTE: The cut-off date shall not be earlier than 7 days before the date of annual general meeting
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 4<sup>th</sup> August, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) /RTA.
- XI. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIV. Mrs. Ragini Chokshi & Associates, Practising Company Secretary (Fellow Membership No. 2390) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XVI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.modison.com](http://www.modison.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**EXPLANATORY STATEMENT U/S 102(1) OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE****Item No. 6 & 7**

The Board of Directors of the Company at its meeting held on 27<sup>th</sup> October, 2014 had appointed Mr. B.B Singh (DIN No:03086339) and Mrs. Rita Bhatia (DIN: 06973893) as Additional Director who holds their office only upto this Annual General Meeting. Pursuant to provisions of section 161(1) and other applicable provisions of the Companies Act, 2013 and Articles of Association, the Company has received a notice from a shareholder proposing their candidature for the office of Director along with requisite deposit.

None of the Directors/Key Managerial Personnel of the Company/their relatives except Mr. B.B Singh and Mrs. Rita Bhatia for whom the resolution relates, are concerned or interested in the resolution.

The Board recommends above Resolution for your approval.

**Item No. 8**

The Board of Directors at its Meeting held on 27<sup>th</sup> May 2015 had approved the remuneration as well as other terms and conditions related to re-appointment of Mr. G. L. Modi as the company's Managing Director for a period of three years with effect from 9<sup>th</sup> July 2015 to 8<sup>th</sup> July 2018, subject to the approval of the Central Government and subject to the approval of the company in its General Meeting by a Special Resolution. The remuneration as well as the other terms and conditions related to the re-appointment of Mr. G. L. Modi were recommended by the Remuneration Committee and the Board of Directors have approved the same remuneration at its meeting held on 27<sup>th</sup> May 2015.

The company is a leading manufacturer of electrical contacts / HVC/SF6 Contacts used in transmission, distribution and utilization of power. Since its business area predominantly relates to infrastructure facilities in the power and other industrial sector, the pace of progress in these sectors to a large extent affects the results of the company. As there was no significant addition in real terms in power manufacturing capacity and addition in Transmission and Distribution facilities for power, it has an immediate negative effect on demand growth.

A focussed restructuring program with thrust on improving efficiency of operations, cost control, restructuring of debt, aggressive Working Capital management and also a re-direction to the Company's marketing efforts.

Under Mr. G. L. Modi, the company has completed massive expansion in the financial year 2010-11 & 2011-12.

The company achieved turnover of Rs.17,181.33 Lakhs and net profit before tax of Rs. 664.54 Lakhs in F.Y. 2014-2015.

Mr. G. L. Modi, the Managing Director is a Mechanical Engineer (Diploma) and is having 50 years of experience in engineering industry. He is the core promoter of the company and is associated with the company since its inception.

The Managing Director had successfully implemented the Electrical Contacts (Low Voltage Contact) Project in 1985 in technical collaboration with 'DODUCO', Germany. Under his able guidance, the company again successfully implemented HVC / SF6 (High / Medium Voltage Contacts) in collaboration with 'DODUCO', Germany. The company is continuously expanding existing product base under the supervision of the Managing Director. It has taken finance for the same in 1994, 1995 and 1996 from Gujarat Industrial Investment Corporation (GIIC). Under his able guidance, the company again successfully implemented manufacturing of Sterling Silver Cutlery in 1999. Company has completed expansion of Electrical Contacts, HVC / SF6 contacts in financial years: 2002-2003 and 2003-2004. The company has completed massive expansion under the able leadership of the Managing Director in the financial year 2005-06 resulting in meeting the increasing demand of Companies products. The company has also completed major expansion in F.Y. 2007-08, 2008-09, 2010-11, 2011-12 and 2012-13 for future demand of the company's products. The Company continuously upgrade its technology and introduce new machineries.

Considering Mr. G. L. Modi's proven abilities and the improvement in the company's performance and financial results, the company has an imminent need to retain his talent for future growth even though he has attained the age of 70+ years.

Whilst deciding on the remuneration package of Mr. G. L. Modi, the Remuneration Committee of the Board considered the above. The material provision of the Agreement as regards Mr. G. L. Modi's re-appointment as Managing Director, referred to in Resolution No. 8 are as under:-



**REMUNERATION:**

- a) Salary : Rs. 9,75,000/- per month.
- b) Perquisites and Allowances:
  - i) In addition to the salary payable, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, cash allowances, allowances for utilities such as gas, electricity, water etc., medical reimbursement, club fees, leave travel concession for himself and his family, personal accident insurance and such other perquisites and allowances in accordance with the rules of the company or as may be agreed to by the Board of Directors and Mr. G. L. Modi; such perquisites and allowances will be subject to a maximum of 100% of annual salary.
  - ii) Company's contribution to Provident Fund to the extent to which it is not taxable under the Income Tax Act, Gratuity payable as per the Rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the salary or perquisites aforesaid.

Total Remuneration payable Rs. 2.50 Crore per annum

**MINIMUM REMUNERATION:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. G. L. Modi, the company has no profits or its profits are inadequate, the company will pay the remuneration by way of salary and perquisites and allowances as specified above as minimum remuneration.

The Agreement entered between the company and the Managing Director is available for inspection by the member 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.

None of the Directors/Key Managerial Personnel of the Company/their relatives except Mr. G.L. Modi (father of Mr. Kumar Jay Modi) & Mr. Kumar Jay Modi (son of Mr. G.L. Modi) for whom the resolution relates, are concerned or interested in the resolution.

The Board recommends this Resolution for your approval.

**Item No. 9**

The Board of Directors of the Company (the 'Board') at its Meeting held on 04<sup>th</sup> February, 2015 re-appointed Mr. Kumar Jay Modi as Whole time Director pursuant to the provisions of Section 196 of the Companies Act, 2013 (the 'Act').

Mr. Kumar Jay Modi is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Further, the Board appointed, subject to the approval of Members, Mr. Kumar Jay Modi as Wholetime Director of the Company, for a period of three years with effect from 01st April 2015 to 31<sup>st</sup> March 2018.

It is proposed to seek Members' approval for the appointment of and remuneration payable to Mr. Kumar Jay Modi, as Wholetime Director, in terms of the applicable provisions of the Act.

Broad particulars of the terms of appointment and remuneration payable to Mr. Kumar Jay Modi is as under:

**A) Salary:**

- (i) Basic Salary: Rs. 1,90,000/- per month in the scale of Rs. 1,90,000~ Rs. 2,60,000 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 20% of annual salary. Perquisites are classified as follows:

**Category 'A'**

- (i) Leave Travel Concession / Medical Reimbursement: Rs. 3,00,000/- per annum for the appointee and his family in accordance with rules specified by the company.



(ii) Re-imbursement of Driver Salary: Upto Rs.20000/- 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.

(iii) Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

(iv) Personal Accident Insurance: Personal Accident insurance of an amount, annual premium of which does not exceed Rs. 5,000 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.

Total remuneration payable: Rs.42,00,000/- per annum.

The Wholetime Director agrees to give an undertaking to the Company that he shall not so long as he functions as Wholetime Director of the Company be interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future.

Subject to the provisions of the Companies Act, 2013, and any other laws for the time being in force, the Wholetime Director shall not be liable to the acts, receipts, neglects or defaults of any Director, Officer or employee of the Company or for any other loss, damage or misfortune whatever which shall happen in execution of the duties of his office or in relation thereto, unless the same happens through his own wilful default or otherwise.

The remuneration shall be paid in accordance with the provisions of Part II of the Schedule V of The Companies Act, 2013.

In the event of absence or inadequacy of Profit during the period from 01.04.2015 to 31.03.2018 Mr. Kumar Jay Modi shall be paid the above remuneration as minimum remuneration.

The Board of Directors (which term shall be deemed to include any committee of the Board constituted to exercise its powers) can alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

The Agreement between the Company and the 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.

None of the Directors/Key Managerial Personnel of the Company/their relatives except Mr.Kumar Jay Modi (son of Mr. G.L. Modi) & Mr. G.L. Modi (Father of Mr. Kumar Jay Modi) for whom the resolution relates, are concerned or interested in the resolution.

The Board recommends this Resolution for your approval.

**Item No.10**

The Board of Directors at its meeting held on 27<sup>th</sup> May 2015 had approved the professional fees charges @ Rs.10,00,000/- per annum plus service tax, as applicable, to Mr. Suresh Chandra Mody, Director of the Company

from 01.04.2015 to 31.03.2018, subject to approval of the Company in the General Meeting by a Special Resolution.

Mr. Suresh Chandra Mody is well qualified with B.Com, LL.B Degrees. He has wide experience in the field of Finance and Taxation and Legal Matters for 48 years.

He gives consultancy services to the Company mainly in the field of finance, taxation and legal matters of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives except Mr. Suresh Mody for whom the resolution relates, are concerned or interested in the resolution.

The Board recommends this Resolution for your approval.

**Item No.11**

The Board of Directors at its meeting held on 27<sup>th</sup> May 2015 had approved the professional fees charges @ Rs.3,00,000/- per annum plus service tax, as applicable, to Mr. Ranjan Dasgupta, Director of the Company from 01.04.2015 to 31.03.2018, subject to approval of the Company in the General Meeting by a Special Resolution.

Mr.Ranjan Dasgupta is well qualified B.Sc (Hons), BE, MBA-post Graduate (Equivalent) TQM Degrees. He has wide experience in Electrical Switchgear industry having served Crompton Greaves Limited for 38years and retired as Member Board and President – Power Systems.

He gives consultancy services to the Company mainly in reviewing factory operations of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives except Mr.Ranjan Dasgupta for whom the resolution relates, are concerned or interested in the resolution.

The Board recommends this Resolution for your approval.

**Item No.12**

The Board of Directors at its meeting held on 27<sup>th</sup> May 2015 had approved the professional fees charges @ Rs.36,00,000/- per annum plus service tax, if applicable, to Mr. B.B Singh, Director of the Company from 01.04.2014 to 31.03.2017, subject to approval of the Company in the General Meeting by a Special Resolution.

Mr. B.B Singh is well qualified with a wide experience in the field of Electrical switchgear industries and contact manufacturing for 35years.

None of the Directors/Key Managerial Personnel of the Company/their relatives except Mr. B.B.Singh for whom the resolution relates, are concerned or interested in the resolution.

The Board recommends this Resolution for your approval.

**Item No.13**

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. N. Ritesh & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ended March 31, 2016, at a remuneration of 50,000/- plus service tax as applicable and reimbursement of conveyance at actuals, subject to ratification by shareholders.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors during the year 2015-16 as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors/Key Managerial Personnel of the Company/their relatives are concerned or interested in the resolution.

The Board recommends this Resolution for your approval.

**Item No.14**

Mrs. Rita Bhatia has been appointed as an Non-Executive Additional Director of the Company w.e.f 27<sup>th</sup> October 2014 and is considered as an Independent Director under Clause 49 of the Listing Agreement. Mrs. Rita Bhatia is a legal practitioner.

In the opinion of the Board, Mrs. Rita Bhatia proposed to be appointed as an Independent Director fulfills the conditions specified in the section 149(6) and other applicable provisions of the Companies Act, 2013 and the rules made there under and clause 49 of the listing agreement and that the proposed director is independent of the management.

None of the Directors/Key Managerial Personnel of the Company/their relatives except Mrs. Rita Bhatia for whom the resolution relates, are concerned or interested in the resolution.

The Board recommends this Resolution for your approval.

**Item No.15**

Pursuant to the provisions of the Sec.188 of the Companies Act 2013, read with the Companies (Meetings of Board and its Powers) Rules 2014 and also read with the SEBI Regulations thereof vide their circular dt.17.04.2014, the transactions with the related parties requires shareholders approval, if such transactions are material.

Your company in the ordinary course of business and also at arm's length price deals with the transactions with the related parties (details provided in the notice), which may be coming under the purview of the provisions of Related Parties / Related Parties transactions, also at arm's length pricing i.e., on par with the market price, if such transactions are being carried out from outside sources in the market, and the provisions of the above sections will not attract the subject transactions in the normal course either by way of being Director / Promoter / shareholdings by himself and / or along with relative(s) as the case may be.

It could also be observed that as per the SEBI Regulations the transactions which may attract the provisions though it is in the normal course of business and at arm's length pricing. It is therefore thought it prudent and judicious to get the shareholders' approval for delegating proper authority to the Board of Directors of the company to transact businesses with the related parties both by way of normal and material transactions, if any, and at arm's length pricing and / or otherwise at a price depending upon the market exigencies, as the case may be on actual basis for such transactions with related parties, during a financial year, which will facilitate the smooth operations of the company and meet the compliance requirements of the provisions of the Act as well as SEBI Regulations and request you to consider the proposal and approve the same.

None of the Directors/Key Managerial Personnel of the Company/their relatives except Mr. G.L. Modi (father of Mr. Kumar Jay Modi), Mr. Kumar Jay Modi (son of Mr. G.L. Modi) and Mr. Rajkumar Modi are, in any way, concerned or interested, financially or otherwise, in the resolution set out as Item, No.15 of the notice.

The Board commends the Special Resolution set out at the Item No.15 of the Notice for approval by the shareholders.

**MUMBAI, 27<sup>th</sup> May,2015**

Registered Office:  
33 Nariman Bhavan  
227 Nariman Point  
Mumbai- 400 021.

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

**G. L. MODI**  
Managing Director

**STATEMENT GIVING INFORMATION TO SHAREHOLDERS AS REQUIRED BY SCHEDULE V OF THE COMPANIES ACT 2013 IN TERMS OF ITEM NO. 8 REGARDING RE-APPOINTMENT OF MR.G.L MODI.**

**I. General information:**

1) Nature of Industry:	Manufacturing (Electrical Contact Industry)		
2) Date or expected date of commencement of commercial production:	1985		
3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable		
4) Financial performance based on given indicators:		<b>F.Y 2014-15</b>	<b>Rs. In Lakh F.Y 2013-14</b>
	Revenue & Other Income :	Rs.17,181.33	Rs.18,484.38
	Net Profit before tax:	Rs. 664.54	Rs.1,845.95
5) Export performance and net foreign exchange collaborations:	Export (F.O.B)	Rs. 2,504.82	Rs.3,610.65
6) Foreign investments or collaborators, if any:	No Foreign Exchange Collaboration Not applicable		

**II. Information about the appointee:**

**1 Background details:**

An Electrical engineer by qualification Mr G L Modi is the person who gave INDIA 99.9 % purity good silver bar. Till that time in India 98.6 % was considered good silver bar. This unique feat paved the way for him to become the largest exporters of silver from India to Europe, Asia and North America.

Post the very successful stint as exporter Mr G L Modi decided to move up the value chain by setting up a manufacturing facility for electrical contacts for Low voltage switchgear industry in 1978. He did it with technical collaboration with DODUCO, Germany which was the flag bearer of these products during those days. Post successful execution of LV electrical contacts he ventured into something which nobody has ever done that in India till date i.e. to produce state of the art, highly technology oriented and precision engineered high voltage electrical contacts for switchgear with the help of technology partner DODUCO. This made Mr G L Modi only person having been able to manufacture such products in India .The two FIRSTs "999 good silver bar" and "High voltage electrical contacts manufacturing" makes Modison and Mr G L Modi unique in its own way. In fact till date no body in India has been able to produce high voltage electrical contacts. This also helped INDIA to indigenise this particular product group which till that time was 100% imported. This vision of Mr G L Modi helped companies in India to save forex and make their products more competitive. Today Modison under the able leadership of Mr G L Modi can make everything under the



orbit of LV, MV & HV electrical contacts for switchgear industries.

Long before CSR was made mandatory for corporate world Mr G L Modi was engaged in this for social upliftment of poor in the area of Education and health. He runs a charitable trust which runs a maternity hospital where patients are given free treatment and under the BBBB (beti bachao beti padhao) scheme a sum of Rs 1100 besides free medical treatment is given to every baby girl born. In addition to this, free scholarship is given to students in pre-primary section to ensure higher enrolment in school.

2) Past remuneration:

Following remuneration is being paid to him by the Company till date:

Salary: Rs. 5,05,000/- per month

Perquisites: Restricted to 100% of annual salary

Other Benefits :As per Rules of the Company

Maximum Remuneration: Rs.10,91,189/- per month.

3) Recognition or Awards:

MODISON Silver bars are recognized as 'Good Delivery Bar' by the Reserve Bank of India and India Government Mint. Our contacts have been tested and Successfully type approved by various agencies like:

CESI-Italy, KEMA Laboratories-Holland and CPRI, Bangalore-India.

Mr. G L Modi inspiring leadership has helped Modison to be selected as top three companies in "EMERGING INDIA" award 2014 by CNBC TV18 sponsored by ICICI Bank and powered by CRISIL. In addition to this highly prestigious award, Modison also won INC.500 awards for the exemplary growth shown in its field. These awards are testimony of his vision and inspiring leadership that acts a huge motivation for whole Modison family.

4) Job profile and his suitability:

The Managing Director shall exercise and perform such power and duties as the Board of Directors of the Company shall from time to time determine, and subject to any directions and restrictions from time to time given and imposed by the Board, Managing Director shall have the general control, management and superintendence of the business of the Company in the ordinary course of the business and to do and perform all other acts and things, which in the ordinary course of business he may consider necessary or proper or in the interest of the Company.

5) Remuneration proposed:

Basic salary: Rs. 9,75,000/- per month

Perquisites: Restricted to 100% of annual salary

Other Benefits: As per Rules of the company

Maximum Remuneration: Rs. 20,83,333/-per month.

6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

It is difficult to get a person of his calibre particularly in Electrical /HVC-SF6 Contacts Industry. Person abroad of his experience would not get less than US\$ 6.35 Million p.a. In India, first of all, it is difficult to find his replacement-may be if we get somebody, remuneration not less than Rs. 400Lakhs p.a

7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Chief Promoter of the company appointed as Managing Director of the company w.e.f. 01.01.1997, Mr. G.L Modi is the father of Mr.Kumar Jay G Modi, a Director of the Company



**III. Other information:**

- |   |  |
|---|--|
| 1) Reason of loss or inadequate profit:                             | The company is a leading manufacturer of electrical contacts / hvc/SF6 Contacts used in transmission, distribution and utilization of power. Since its business area predominantly relates to infrastructure facilities in the power and other industrial sector, the pace of progress in these sectors to a large extent affects the results of the company. As there was no significant addition in real terms in power manufacturing capacity and addition in Transmission and Distribution facilities for power, it has an immediate negative effect on demand growth. |
| 2) Steps taken or proposed to be taken for improvement:             | A focussed restructuring program with thrust on improving efficiency of operations, cost control, restructuring of debt, aggressive Working Capital management and also a re-direction to the company's marketing efforts.   |
| 3) Expected increase in production and profits in measurable terms: | The company hopes to achieve a turnover of Rs.19,500 Lakhs and net profit before tax of Rs.1,585.97 Lakhs in Financial Year: 2015-2016. The effect of expansion and restructuring will improve further the results of the company in coming years.   |

**IV. Disclosures:**

1. The shareholders of the Company shall be informed of the remuneration package of the managerial personnel.
2. The following disclosures shall be mentioned in the Board of Directors Report under the heading "Corporate Governance", if any, attached to the annual report:
  - i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
  - ii) Details of fixed components and performance linked incentives along with the performance critics;
  - iii) Service contracts, notice period, severance fees;
  - iv) Stock Option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

**MUMBAI, 27<sup>th</sup> May, 2015**

Registered Office:  
33 Nariman Bhavan  
227 Nariman Point  
Mumbai- 400 021.

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

**G. L. MODI**  
Managing Director

**DIRECTORS' REPORT**

To  
The Members of  
Modison Metals Ltd

The Directors have pleasure in presenting before you the Thirty Second Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

**FINANCIAL RESULTS**
**(Rupees in Lakhs)**

	2014-15	2013-14
<b>Revenue from operation &amp; other income</b>	<b>17,181.33</b>	18,484.38
Gross Profit before Finance Cost & Depreciation/Amortisation	<b>1,674.63</b>	2678.77
Less: Finance Cost	<b>347.39</b>	289.39
Less: Depreciation / Amortisation	<b>662.70</b>	622.38
<b>Profit before Exceptional items</b>	<b>664.54</b>	1,767.00
Exceptional items	-	78.95
<b>Profit before taxation</b>	<b>664.54</b>	1845.95
Less: <u>Provision for Taxation</u> Current tax	<b>217.50</b>	559.00
Less: Taxation adjustment of previous year	<b>0.36</b>	(0.13)
Less: Deferred tax	<b>(13.62)</b>	68.59
<b>Profit after taxation</b>	<b>460.30</b>	1218.49
Add: Balance brought forward from the previous year	<b>7,901.87</b>	7,279.80
<b>Profit available for appropriation</b>	<b>8,362.17</b>	8498.29
Proposed Dividend	<b>243.38</b>	405.63
Corporate Dividend Tax	<b>49.54</b>	68.94
Transfer to General Reserve	-	121.85
<b>Balance carried over to Balance Sheet</b>	<b>8,069.25</b>	7901.87

**DIVIDEND :**

The Board of Directors has recommended a Dividend of **Re.0.75 (75%)** Per Equity Share of Re.1 each for the Financial Year ended 31<sup>st</sup> March 2015.

**TRANSFER TO RESERVES :**

The Company has transferred Rs. **Nil** to Reserves for the Financial Year ended 31<sup>st</sup> March 2015.

**OPERATIONS :**

During the year under review, the Company has achieved the **turnover of Rs. 17,181.33 Lakhs** as compared to Rs.18,484.38 Lakhs during previous year. The turnover reduced by 7.05% i.e; by Rs.1,303.05 Lakhs, Profit before tax reduced by 64% i.e; by Rs.1,181.41 Lakhs & Net Profit after tax reduce by 62.22 % i.e; by Rs. 758.19 Lakhs.

The continued significant **fall** in **silver** prices impacted the revenue as well as bottom line due to inventory valuations. The 9% increase in volume growth though reduced the impact was not good enough to negate it fully.

The major part of exports is in Europe. The weakening of Euro by approximately 17% had a negative impact on forex earnings.

Earnings per share for the year 2014-15 is Rs.1.42. Book value now stands at Rs.29.89 per equity share of Re.1 each.

**EXPORTS :**

The Exports (FOB) including export in INR during the year amounts to **Rs.2,504.82 Lakhs** as against **Rs.3,610.65 Lakhs** achieved in the previous year. The export reduced by 30.63% & i.e; Rs.1,105.83 Lakhs.

The geo political situation in Russia and Turkey coupled with sluggish economy did impact the business adversely. The continued **sluggish** economy in Eurozone along with weakened Euro compounded the matter and did bring the exports down

However this year company has entered into new geography of North America with its marketing and distribution partner and initial work done is encouraging and can help international sales in robust manner.

**SHARE CAPITAL:**

The paid up equity capital as on 31<sup>st</sup> March 2015 stood at Rs. 324,50,000. During the year under review, the company has not issued equity share with differential voting rights, sweat equity shares, employee's stock options & made any provision for purchase of its own shares.

**RESEARCH AND DEVELOPMENT :**

A state-of-the-art recognized R & D Division set up by the Company in Financial Year 2002-2003 got renewed in April, 2013 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. The company invested approximately 1% of its revenue in its R&D efforts towards new product development and capability building.

**PUBLIC DEPOSITS :**

The Company has not accepted any deposits from the public during the year.

**LOANS, GUARANTEES AND INVESTMENTS :**

The Company has not given any loans and guarantee during the year under consideration. The Company has invested in subsidiary for which information has been given under the head "Subsidiaries".

**CHANGE IN NATURE OF BUSINESS:**

There being no change in the nature of business of the company during the year.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required under Clause 49 of the Listing Agreements with Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report.

**PARTICULARS OF CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Information required under Section 134 of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the **Annexure I**.

**EXTRACT OF ANNUAL RETURN :**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure II**.

**CORPORATE SOCIAL RESPONSIBILITY :**

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company run Mohanlal Modi Hospital through Trust. The Company supported various social causes, extended medical aid to the needy and even contributed significantly to the hospitals. Scholarships have been given out to deserving candidates to help them progress and to see them through initial limitations of progress. Also, the group has also committed to fight TB by donating towards the treatment and 5 beds for underprivileged people every year.

These projects are largely in accordance with Schedule VII of the Companies Act, 2013. The details of Committee and its terms of reference are set out in Corporate Governance Report.

The Annual Report on CSR activities is attached as **Annexure III** and forms a part of this Report of the Directors.

**DIRECTORS :**

Mr. Suresh Mody and Mr. Rajkumar Modi, Directors of the Company who retires by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re- appointment to the Board.

Mr. Bibhuti Bhushan Singh and Mrs.Rita Bhatia who was appointed as an Additional Director of the Company with effect from 27<sup>th</sup> October, 2014 under Section 161 (1) of the Act , Mr. Bibhuti Bhushan Singh and Mrs.Rita Bhatia holds office upto the date of forthcoming Annual General Meeting and are reappointed in the ensuing Annual General Meeting.

Your Directors state that Mrs. Rita Bhatia, Director of the Company vide its letter dated 1<sup>st</sup> October, 2014 informed that consequent upon the requirements of revised Clause 49 of Listing Agreement She had met the criteria prescribed in Clause 49 (II) (B) (1) of Listing Agreement and also under Section 149 (6) of the said Act. Accordingly, Mrs. Rita Bhatia is to be confirmed as an Independent Director in the ensuing Annual General Meeting.

Mr. L.P.Aggarwal resigned from directorship with effect from 11<sup>th</sup> September 2014.

The details of the Directors being recommended for appointment and re –appointment are contained in the accompanying notice of the ensuing Annual General Meeting.

**KEY MANAGERIAL PERSONNEL :**

Mr. Ramesh Kothari is appointed as Chief Financial Officer of the Company with effect from 26th May 2014. Mr. Rakesh Singh is appointed as Chief Executive Officer of the Company with effect from 04th February 2015.

**DECLARATION FROM INDEPENDENT DIRECTORS :**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**ANNUAL PERFORMANCE EVALUATION :**

Pursuant to the provisions of the Act and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of the performance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board. The performance evaluation of the Independent Director was carried out by the entire Board except concerned Independent Directors. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with evaluation process.



**FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS :**

A familiarization program for independent directors, as approved by the Board is available on the Company's website. The weblink is <http://www.modison.com/pdf/financial/Familiarization-Program-for-Independent-Directors-MML.pdf>

**BOARD MEETINGS :**

The Board of Directors duly met 6 times during the financial year from 1st April, 2014 to 31st March, 2015. The dates on which the meetings were held are as follows :

26th May, 2014, 14th July, 2014, 11th August, 2014, 27th October, 2014, 05th November, 2014 and 04th February, 2015.

A separate report on Corporate Governance includes the detailed particulars of Board & Committee Meetings is annexed and forms a part of this Report of the Directors.

**COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION :**

A Nomination and Remuneration Policy, on the recommendation of the Nomination & Remuneration Committee, as approved by the Board is available on the Company's website.

**PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

**AUDITORS :**

i) **Statutory Auditors :**

M/s M.L. Bhuwania & Co, Chartered Accountants are re-appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

The Auditors have confirmed that, their appointment, is as per Section 139 of the said Act be and is within the limits prescribed under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified. There are no qualifications or observations or remarks made by the Auditors in their Report.

ii) **Cost Auditors :**

M/s. N. Ritesh & Associates, Cost Accountants are appointed as Cost Auditors for auditing as Cost Auditors for auditing the cost accounts of your Company for the year ended 31st March, 2016 by the Board of Directors.

iii) **Secretarial Audit :**

A Secretarial Audit was conducted during the year by the Secretarial Auditor, Ragini Chokshi & Co, Practicing Company Secretary, Mumbai in accordance with provisions of Section 204 of the Act. The Secretarial Auditor's Report is enclosed and forms a part of this Directors Report. There are no qualifications or observations or remarks made by the Secretarial Auditor in their Report.

**MATERIAL CHANGES & COMMITMENTS :**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of the report.

**SUBSIDIARY:**

During the year, your company acquired M/s. Modison Contacts Private Limited for the purpose of expansion of business, which is now, the subsidiary of your Company. The subsidiary is not a material subsidiary company. The material subsidiaries policy is available on Company's website and the weblink is <http://www.modison.com/pdf/financial/Material-Subsidiaries-Policy-MML.pdf>. The subsidiary company has recorded a loss of Rs.0.01Lacs during the period since it became subsidiary of the Company by investment of Rs.14, 91,740/-.

**CORPORATE GOVERNANCE:**

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is included as a part of this Annual Report. Certificate from the Statutory Auditors of the Company confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is included as a part of this report.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Act, and Clause 49 (III) (D) (4) (a) of the Listing Agreement, on the basis of information placed before them, the Directors state that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. appropriate accounting policies have been selected and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and of the profit and loss of the Company for the said period;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis;

- v. the internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. there is a proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

**RELATED PARTY TRANSACTIONS**

All transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in form AOC-2 is not required. Further, there are no material related party transactions during the year under review with the promoters, Directors or Key Managerial Personnel. All related party transactions are placed before the Audit Committee as also to the Board for approval. Omnibus approval was obtained for transactions which are of repetitive nature. The policy on Related Party Transactions as approved by the Board is available on the Company's website.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

**RISK MANAGEMENT COMMITTEE**

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of Report of the Directors.

The Company is exposed to the risk of price fluctuation of silver (raw material). The Company proactively manages this risk through hedging, inventory management. The Company's reputation for quality with robust marketing existence mitigates the impact of price risk on finished goods.

The Company has a robust Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism Policy for directors and employees to deal with instance of fraud and mismanagement, if any, has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.modison.com](http://www.modison.com).

**STOCK EXCHANGE**

The Company's equity shares are listed at BSE Limited. The Company confirms that it has paid the Annual Listing Fees for the year 2014-15.

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**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators or Courts that would impact the going concern status of the Company and its future operations.

**INTERNAL AUDITOR**

During the year, the company has appointed Internal Auditor to strengthen the Internal control system.

**ACKNOWLEDGEMENT**

Your Directors place on record their appreciation for the assistance and support extended by all Government Authorities, Financial Institutions, Banks, Consultants, Solicitors and Shareholders of the Company. The Directors express their appreciation for the dedicated and sincere services rendered by the employees of the Company at all levels.

For and on behalf of the Board of Directors

Mumbai, 27<sup>th</sup> May, 2015

**G.L. MODI**  
Managing Director



**ANNEXURE I TO DIRECTORS' REPORT****Particulars Required Under Section 134 Of The Companies Act, 2013 Read With Rule 8 Of Companies(Accounts) Rules,2014****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:**

Dispersion strengthened copper  
Copper Chromium contacts disc for vacuum interrupters  
Eutectic Brazing alloy for vacuum interrupters.  
High performance current carrying parts.

**b) Benefits derived as a result of above R & D:-**

Foray into identified segment of MV business  
More cost competitive products made available.  
Import substitute.

**c) Future Plan of action:**

Development of Beryllium Copper  
Development of Percussion Welded parts.  
Development of Fully Automatic Horizontal Welding Line.

**d) Expenditure in R&D:**

Capital	<b><u>Rs. In Lakhs</u></b>
	<b>143.59</b>
Recurring	<b>50.09</b>
Total	<b><u>193.68</u></b>
Total R&D Expenses as a percentage of total Turnover	<b>1.13%</b>

**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 (2014-2015)**

	<b><u>Rs. In Lakhs</u></b>
i) CIF Value of Imports:	<b>2,246.65</b>
ii) Expenditure in Foreign Currency:	<b>223.67</b>
iii) Foreign Exchange earned:	<b>2,528.45</b>

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN (Annexure II)**

As on the financial year ended on March 31, 2015.

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of theCompanies (Management and Administration) Rules, 2014]**REGISTRATION AND OTHER DETAILS:**

1	CIN:	L51900MH1983PLC029783
2	Registration Date:	13/04/1983
3	Name of the Company:	MODISON METALS LIMITED
4	Category / Sub-Category of the Company:	Company limited by Shares
5	Address of the Registered office & contact details:	33 Nariman Bhavan, 227, Nariman Point, Mumbai-400021. Email Id: rkothari@modison.com
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Freedom Registry Limited Plot No. 101/102, 19th Street, MIDC, Satpur, Nashik - 422007 Tel No. 0253-2354032 support@freedomregistry.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturers of electrical contacts	8538	94.88%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	MODISON CONTACTS PRIVATE LIMITED	U26912MH1982PTC027005	Subsidiary Company	60%	Section 2(87)

**VI. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Shareholding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	16608165	-	16608165	51.18	16618165	-	16618165	51.21	0.03%
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	86918	-	86918	0.27	86918	-	86918	0.27	0%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
<b>Sub-Total A(1)</b>	<b>16695083</b>	<b>-</b>	<b>16695083</b>	<b>51.45</b>	<b>16705083</b>	<b>-</b>	<b>16705083</b>	<b>51.48</b>	<b>0.03%</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Bank/ FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-

<b>Sub- Total (A)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters (A)=(A)(1) + (A)(2)</b>	<b>16695083</b>	<b>-</b>	<b>16695083</b>	<b>51.45</b>	<b>16705083</b>	<b>-</b>	<b>16705083</b>	<b>51.48</b>	<b>0.03%</b>
<b>B. Public Shareholding</b>									
<b>(1)Institutions</b>									
a) Mutual Fund / UTI	-	-	-	-	-	-	-	-	-
b)Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d)State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	50000	-	50000	0.15	50000	-	50000	0.15	0%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	<b>50000</b>	<b>-</b>	<b>50000</b>	<b>0.15</b>	<b>50000</b>	<b>-</b>	<b>50000</b>	<b>0.15</b>	<b>0%</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non – Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	1465499	-	1465499	4.52	845378	-	845378	2.61	1.91%
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto 1 lakh	4343277	42170	4385447	13.51	4887925	42070	4929995	15.19	1.68%
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	9676525	-	9676525	29.82	9604103	-	9604103	29.60	0.22%
<b>c) Others (specify)</b>									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
ii) Other Foreign Nationals	-	-	-	-	-	-	-	-	-
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iv) NRI	173977	-	173977	0.54	315441	-	315441	0.97	0.43%

v) Clearing Members / Clearing House	3469	-	3469	0.01	-	-	-	-	0.01%
vi) Trusts	-	-	-	-	-	-	-	-	-
vii) Limited Liability Partnership	-	-	-	-	-	-	-	-	-
viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
ix) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
<b>Sub – Total (B)(2)</b>	<b>15662747</b>	<b>42170</b>	<b>15704917</b>	<b>48.40</b>	<b>15652847</b>	<b>-</b>	<b>15652847</b>	<b>48.52</b>	<b>4.52%</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>15712747</b>	<b>42170</b>	<b>15754917</b>	<b>48.55</b>	<b>32407930</b>	<b>42070</b>	<b>32450000</b>	<b>100</b>	<b>4.52%</b>
<b>C. Share held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>32407830</b>	<b>42170</b>	<b>32450000</b>	<b>100</b>	<b>32407930</b>	<b>42070</b>	<b>32450000</b>	<b>100</b>	<b>4.55%</b>

## ii. Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumb-ered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumb-ered to total shares	
<b>A. Individual</b>							
Girdharilal Modi	7158370	22.06	-	7158370	22.06	-	-
Rajkumar Modi	6701210	20.65	-	6701210	20.65	-	-
Suresh Chandra P Mody	227240	0.70	-	227240	0.70	-	-
Kumar Jay G Modi	1774000	5.47	-	1774000	5.47	-	-

Girdharilal Modi(HUF)	423760	1.31		423760	1.31		
Chandramani Devi Modi	10	0	-	10	0	-	-
Kashiprasad Madanlal Modi	1000	0	-	1000	0	-	-
Manju Kashiprasad Modi	1000	0	-	1000	0	-	-
Rashmi R Modi	1000	0	-	1000	0	-	-
Sarla Girdharilal Modi	279575	0.86	-	279575	0.86	-	-
Paridhi Kumar Jay Modi	41000	0.13	-	41000	0.13	-	-
Anshika Rajkumar Modi	-	-	-	10000	0.03	-	0.03
<b>B.Bodies Corporate</b>							
Modison Copper Private Limited	86918	0.27	-	86918	0.27	-	-
<b>Total (A+B)</b>	<b>16695083</b>	<b>51.45</b>	<b>-</b>	<b>16705083</b>	<b>51.48</b>	<b>-</b>	<b>0.03</b>

**ii. Change in Promoters' Shareholding (Please specify, if there is no change)**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	16695083	51.45	16695083	51.45
Date wise Increase/(Decrease) in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.) 1. Purchase (+) 2. Sale/Transfer (-)	<b>10/02/2015 :</b> (+) 6100	0.018	16701183	51.468
	<b>17/03/2015 :</b> (+) 1900	0.006	16703083	51.474
	<b>23/03/2015 :</b> (+) 2000	0.006	16705083	51.48
At the end of the year	16705083	51.48	16705083	51.48

**iii. Shareholding Pattern of Top Ten Shareholders (Other than Director, Promoters and Holders of GDRs and ADRs)**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
PrakashChandra Modi	4660488	14.36	4660488	14.36
a. At the Beginning of the Year	No change during the year			
b. Changes during the Year	4660488	14.36	4660488	14.36
c. At the end of the year				
OmPrakash Modi	811520	2.50	811520	2.50
a. At the Beginning of the Year	Decrease by 0.31% during the year			
b. Changes during the Year	710000	2.19	710000	2.19
c. At the end of the year				
Nirmala Mody	625950	1.93	625950	1.93
a. At the Beginning of the Year	No change during the year			
b. Changes during the Year	625950	1.93	625950	1.93
c. At the end of the year				
Lalitadevi Modi	559000	1.72	559000	1.72
a. At the Beginning of the Year	Decrease by 0.16% during the year			
b. Changes during the Year	508000	1.56	508000	1.57
c. At the end of the year				
Sona Goyal	500000	1.54	500000	1.54
a. At the Beginning of the Year	No change during the year			
b. Changes during the Year	500000	1.54	500000	1.54
c. At the end of the year				
Vijaykumar Modi	434000	1.34	434000	1.34
a. At the Beginning of the Year	Increase by 0.18% during the year			
b. Changes during the Year	492000	1.52	492000	1.52
c. At the end of the year				
Ashish Ramesh Mody	314697	0.97	314697	0.97
a. At the Beginning of the Year	Increase by 0.005% during the year			
b. Changes during the Year	316377	0.97	316377	0.97
c. At the end of the year				
Satish Ramesh Mody	313475	0.97	313475	0.97
d. At the Beginning of the Year	No change during the year			
e. Changes during the Year				



f. At the end of the year	313475	0.97	313475	0.97
Maheshkumar Mody	331000	1.02	331000	1.02
a. At the Beginning of the Year	Decrease by 0.12% during the year			
b. Changes during the Year				
c. At the end of the year	292000	0.90	292000	0.90
Ramesh P Mody	251670	0.78	251670	0.78
d. At the Beginning of the Year	Decrease by 0.007% during the year			
e. Changes during the Year				
f. At the end of the year	249170	0.77	249170	0.77

**v. Shareholding of Directors and Key Managerial Personnel**

For Each of the Director and KMP	Name of Director			
	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>GIRDHARILAL MADANLAL MODI</b>				
At the beginning of the year	7158370	22.06	7158370	22.06
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	7158370	22.06	7158370	22.06
<b>SURESHCHANDRA PURUSHOTTAMDAS MODY</b>				
At the beginning of the year	227240	0.70	227240	0.70
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	227240	0.70	227240	0.70

<b>RAJKUMAR MOHANLAL MODI</b>				
At the beginning of the year	6701210	20.65	6701210	20.65
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	6701210	20.65	6701210	20.65
<b>RANJAN PANCHU GOPAL DASGUPTA</b>				
At the beginning of the year	Nil	Nil	Nil	Nil
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	Nil	Nil	Nil	Nil
<b>KUMAR JAY GIRDHARILAL MODI</b>				
At the beginning of the year	1774000	5.47	1774000	5.47
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	1774000	5.47	1774000	5.47
<b>RAMAVTAR NATHUMAL GOENKA</b>				
At the beginning of the year	1000	0.00	1000	0.00
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	1000	0.00	1000	0.00
<b>BIBHUTI BHUSHAN SINGH</b>				
At the beginning of the year	27980	0.09	27980	0.09
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	27980	0.09	27980	0.09

<b>RITA DILIP BHATIA</b>				
At the beginning of the year	Nil	Nil	Nil	Nil
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	Nil	Nil	Nil	Nil
<b>RAMESH MANGILAL KOTHARI</b>				
At the beginning of the year	Nil	Nil	Nil	Nil
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	Nil	Nil	Nil	Nil
<b>Rakesh Singh</b>				
At the beginning of the year	Nil	Nil	Nil	Nil
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	Nil	Nil	Nil	Nil

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loan	Deposits	Total Indebtedness Rs.
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	25,21,29,960	-	-	25,21,29,960
ii) Interest due but not paid	NIL	-	-	NIL
iii) Interest accrued but not due	2,39,678	-	-	2,39,678
<b>Total (i+ii+iii)</b>	<b>25,23,69,638</b>	<b>-</b>	<b>-</b>	<b>25,23,69,638</b>
<b>Change in Indebtedness during the financial year</b>				

Addition	1,21,94,006	-	-	1,21,94,006
Reduction	-	-	-	-
<b>Net Change</b>				
Indebtedness at the end of the financial year				
i) Principal Amount	26,42,42,000	-	-	26,42,42,000
ii) Interest due but not paid	NIL	-	-	NIL
iii) Interest accrued but not due	3,21,644	-	-	3,21,644
<b>Total (i+ii+iii)</b>	<b>26,45,63,644</b>	<b>-</b>	<b>-</b>	<b>26,45,63,644</b>

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sr. No.	Particulars of Remuneration	Shri G.L Modi, Managing Director	Total Amount Rs. Lakhs
	Gross Salary		
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,12,60,161	112.60
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	1,08,894	1.09
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- Others, specify.....	-	-
5	Others, please specify	3,08,746	3.09
	<b>Total (A)</b>	<b>1,16,77,801</b>	<b>116.78</b>



Sr. No.	Particulars of Remuneration	Shri Rajkumar Modi, Whole time Director	Total Amount Rs. Lakhs
	Gross Salary		
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	37,80,000	37.80
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	2,39,685	2.40
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- Others, specify.....	-	-
5	Others, please specify	199,131	1.99
	<b>Total (A)</b>	<b>42,18,816</b>	<b>42.19</b>

Sr. No.	Particulars of Remuneration	Shri Kumar Jay Modi, Whole time Director	Total Amount Rs. Lakhs
	Gross Salary		
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	15,00,000	15.00
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	1,70,571	1.70
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- Others, specify.....	-	-
5	Others, please specify	89,515	0.90
	<b>Total (A)</b>	<b>17,60,086</b>	<b>17.60</b>

**B. Remuneration to other Directors:**
**1. Independent Directors**

Sr. No.	Particulars of Remuneration	Name of Director				Total Amount Rs.
		<b>Shri. Ranjan Dasgupta</b>	<b>Shri Ramavtar Goenka</b>	<b>Mr.L.P. Aggarwal</b>	<b>Mrs.Rita Bhatia</b>	
1	Fee for attending Board/Committee Meetings	70,000/-	1,20,000/-	50,000/-	30,000/-	<b>Rs.2,70,000/-</b>
2	Commission	-	-	-	-	
3	Other, please specify.....	-	-	-	-	
	<b>Total (B)(1)</b>	<b>Rs.2,70,000/-</b>				

**2. Other Non Executive Directors**

Sr. No.	Particulars of Remuneration	Name of Director		Total Amount Rs.
		<b>Shri Suresh Mody</b>	<b>Shri B.B. Singh</b>	
	Fee for attending Board/Committee Meetings	60,000/-	40,000/-	<b>1,00,000/-</b>
	Commission	-	-	-
	Other, please specify.....	-	-	-
	<b>Total (B)(2)</b>			
	<b>Total (B)=(B)(1) + (B)(2)</b>			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount Rs. Lakhs
		<b>Shri Ramesh Kothari</b> Chief Financial Officer	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	12,73,800	12.74
	(b) Value of perquisites under	51,300	0.51

	Section 17(2) Income Tax Act, 1961		
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify.....	-	-
5	Others, please specify	-	-
	<b>Total (C)</b>	<b>13,25,100</b>	<b>13.25</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount Rs. Lakhs
		Shri Rakesh Singh Chief Executive Officer	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	37,30,020	37.30
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	2,40,000	2.40
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	
2	Stock Options	-	
3	Sweat Equity	-	
4	Commission	-	
	- as % of profit	-	
	- others, specify.....	-	
5	Others, please specify	-	
	<b>Total (C)</b>	<b>39,70,020</b>	<b>39.70</b>

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Property/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	None				
Punishments					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishments					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishments					
Compounding					

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (Annexure III) FOR THE FINANCIAL YEAR 2014-2015.**
**Pursuant to Section 135 of Companies Act 2013 read with Rule 9 of Companies(Accounts) Rules,2014**

Modison strongly believes in giving back to the society and do its part in making a small change for the better. For several years, Modison has supported various social causes, extended medical aid to the needy and even contributed significantly to the hospitals. Scholarships have been given out to deserving candidates to help them progress and to see them through initial limitations of progress. The group has also committed to fight TB by donating towards the treatment and beds of 5 underprivileged people every year to Shree Kalyan Arogya Sadan Sikar, Rajasthan. Also, A Small Step is undertaken towards Honourable Prime Ministers 'Beti Bachao' Movement.

The **upcoming plans** of the Company is to get tie up with major medical institute to formulate procedures to ease up the medical facilities and urgent medical treatment. The Company will also help to run a maternity hospital and will also donate free beds for needy patients from time to time.

CSR Policy is stated herein below:

**Weblink:**

<http://www.modison.com/pdf/Modison-Metals-Ltd-CSR-Policy.pdf>

**1. The composition of the CSR Committee:-**

Shri G L Modi – Chairman

Shri Suresh Mody – Member

Shri R A Goenka – Member

**2. Date of Meeting : November 5<sup>th</sup>, 2014**

**3. Average net profit of the company for last 3 financial years:**

Average net profit: Rs.17,49,32,803/-

**4. Prescribed CSR Expenditure (2% of this amount as in 3 above):**

The Company is required to spend Rs.34,98,656/- towards CSR.

**5. Details of CSR spend for the financial year:**

**a) Total amount to be spent for the year:**

Rs.19,84,449/-

**b) Amount unspent, if any :**

Rs.15,14,207/-

**c) Manner in which the amount during the financial year is detailed below:**

Sr No .	Projects/Activities	Locations	Amount outlay (Budget) project or Programs wise	Amount spent on the project/ Programs	Cumulative spend upto to the reporting period	Amount spent: Direct/through implementing agency*
1	Education	Rajasthan	15,00,000	9,34,449/-	9,34,449/-	Implementing agency
2	Medical	Rajasthan, Kolkata, Mumbai	10,00,000	4,25,000/-	4,25,000/-	Implementing agency
3	Animals	Rajasthan	7,50,000	5,00,000/-	5,00,000/-	Implementing agency
4	Flood affected area	Jammu & Kashmir	2,50,000	1,25,000/-	1,25,000/-	Implementing agency

**Note:**

The Board of Directors identified project in accordance to the CSR Policy of the Company, pursuance to that the company spent Rs.19,84,449/- during the F.Y. 2014-15. The company could not spent balance amount due to non-availability of the Project which are in line with CSR Policy of the Company.



**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

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

**FOR THE PERIOD 01-04-2014 TO 31-03-2015**

To,  
The Members  
**MODISON METALS LIMITED**  
33 NARIMAN BHAVAN,  
227, NARIMAN POINT  
MUMBAI 400021

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MODISON METALS LIMITED (CIN : L51900MH1983PLC029783)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

**Management's Responsibility for secretarial Compliances**

The Company's management is responsible for preparation and maintenance of secretarial records and for devising systems to ensure compliances with the provision of applicable laws and regulations.

**Auditors Responsibility**

Our responsibility is to express an opinion on the secretarial records, standard and procedures followed by the company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for to provide a basis for our opinion.

Based on our verification of the **MODISON METALS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period **1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015** ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period **1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Not applicable as the Company did not issue any security during the financial year under review**
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not applicable as the Company did not have any scheme for its employees during the financial year under review.**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company has not issued any debt securities during the financial year under review.**
  - f. The securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies act and dealing with client- **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.**
  - h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009- **Not applicable as the Company has not bought back any of its securities during the financial year under review.**
- (vi) We have relied on the certificates obtained by the Company from the Management Committee/Function heads and based on the report received, there has been due compliance of all laws, orders, regulations and other legal requirements of the central, state and other Government and Legal Authorities concerning the business and affairs of the company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:-

1. Factories Act, 1948
2. Industrial Disputes Act, 1947
3. Employee Sate Insurance Act
4. Environment (Protection) Act.1986
5. Water (Prevention and Control of pollution) Act, 1981

6. Air (Prevention and Control of pollution) Act, 1974
7. Hazardous Waste (Management and handling) Rules, 1989
8. Minimum Wages Act, 1948
9. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

We have also examined compliance with applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India. **Not applicable since these Secretarial Standards will come into effect from 1<sup>st</sup> July, 2015 hence not applicable to the Company during the audit period under review**
- b) Listing Agreement with BSE .

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**We further report that** during the audit period, there were instances of:

1. Special resolution under Section 180(c) of the Companies Act, 2013 for borrowing limits of the Company and under Section 180(1) (a) of the Companies Act, 2013 giving authority to the Board of Directors to create charges on the Company's Properties.

**For Ragini Chokshi & Co.**

Place : Mumbai

Date : 27/05/ 2015

**Mrs. Ragini Chokshi**  
(Partner)  
C.P.No. 1436  
FCS No. 2390

**Management analysis & discussion report:****Business Environment:**

The Indian economy continued to demonstrate resilience in the face of a tepid global recovery during FY15.

The corporate sector was also impacted from the non-revival in the demand conditions. Consumption demand failed to revive during the year as the impact of uneven rainfall on crop production impacted rural consumption as well.

It is expected that IIP will register a moderate growth of 2.9% in FY15. Going ahead, it is further expected for industrial activity to gather pace and grow by 6.0% during FY16, with substantial gains coming from the second half of FY16. The uptick in industrial activity is expected to be supported by the following factors:

Government's thrust on infrastructure, pick up in implementation of stalled projects and ease in environmental clearances.

Anticipated easing of input bottlenecks towards second half FY16 would accelerate industrial production.

Focused government policies and reforms such as REITs and liberalisation in FDI are expected to have a positive effect on the sector.

Moreover, the Prime Minister's vision of creating 100 Smart Cities as satellite towns of larger cities aims at modernising the existing mid-sized cities. This concept involves a mix of residential, commercial, social and infrastructural development.

According to the data released by Centre for Monitoring Indian Economy (CMIE), as on Mar-2015, ₹ 6,723 bn worth of projects were under implementation in the housing construction sector, compared with ₹ 6,307.5 bn as on Mar-2014. The housing sector accounted for more than 60% of the total cost involved across the real estate sector. Financing from Scheduled Commercial Banks grew at CAGR of 14.8% to the housing segment (including housing under priority lending) between CY 2010-2014.

The transmission and distribution segment is likely to get an investment of around US\$ 50 bn while power generation segment will attract an investment of around US\$ 60-70 bn along with an investment of around US\$ 5-6 bn in energy efficiency projects. The above mentioned points are likely to give Philip to switchgear industry as well.

**VISION:**

The company's vision is to retain and enhance its leadership position and in the process tread the growth path so as to serve all the stakeholders. The company has prepared a blue print to expand its horizon in the range completion and intent to manufacture every product which can be manufactured under the umbrella of LV, MV and HV electrical contacts manufacturing industry to serve its customer. The Company has formulated robust strategic plan to achieve the same.

**Business Strategy:**

In order to achieve its strategic goal the company has four pronged business strategy which is listed below:

- Focus on new product development & increase new product intensity
- Operational excellence
- Thrust on International market
- Customer intimacy movement
- Diversification
- Robust HR policies and practices

### **Operations**

Company continued its emphasis on the operational excellence and improved its various parameters measured under GMP( Good manufacturing practices).The seven KFAs ( key focus area) of Production , quality , cost ,delivery ,safety ,services and morale form the genesis of overall manufacturing . The sustained efforts in these areas are facilitating the improvements observed which need to be converted into significant gains.

The implementation of ERP (Axcepta) from Microsoft has paved the ways for efficiency and effectiveness of the overall functioning and in the process becoming more responsive.

KPI (Key performance indicators) driven approach is helping the company to link the individual goals with the organisational objectives and instil sense of fulfilment in the team.

The company's quest for excellence has been endorsed by CARE Rating agency as the company's rating was improved for short and long term bank facilities.

The company won a significant accolade when CNBC TV 18 emerging India award for SME identified the company as top three companies in engineering and capital goods category. The award was sponsored by ICICI Bank and powered by CRISIL.

### **Capacity expansion**

During the period where the economy did not see much traction, we continued to invest in capacity and capability building exercise as we believe in our strategic plan and its long term deliverables. . Company has invested reasonable part of its revenue in expansion of capacities and while doing so it has ensured that the capability of our facilities also is taken care. The steady and organised approach has ensured that the company remains in sync with the other modern electrical contacts manufacturing facilities across the world. The capacity expansion in automatic welding line is in line with our strategic growth plan in this segment. The company moved to low scale automation/semi automation in the HV electrical contacts for finishing operations .This should augur well for significant improvement in productivity.

### **Internal Control system & their adequacy**

Given the nature of business and size of operations, the company's internal control system has been designed to:

- Adherence to applicable accounting standards and policies
- To ensure efficiency of operations and compliance with applicable legislation.
- To ensure adequate management reporting system comprising of managerial reporting and analysis on various performance indicators, for corrective directions as and when necessary.

The company has in place the internal auditor and Company's secretary to ensure the compliance and adequacy of the process and systems.

### **R&D**

Research & design continue to remain major thrust area for company The Company introduced major new products in the market for LV, MV and HV. These new products are going to be cornerstone of our future growth and also help increase new product intensity .Company invested approximately 1.13% of revenue in R&D.

The company invested in few state of the art Equipments that shall help the lab to live up to its reputation of the best in class. These acquisitions of Equipments has given a major boost in the capability of various material analysis , simulation analysis and the effort should go in long way in instilling the confidence of our customers with respect to the quality consistency and reliability.



**Risk Management**

Since the company deals in precious metal the credit policy is something which assumes greater significance to strike the balance between revenue versus risk of bad debts. This becomes critical when the company exports to various countries.

The company has adequate system in place to deal with this in the form of credit insurance, internal credit policy and selection of customers with exhaustive mapping and scanning.

There is special market like electricity board projects which are driven only by price and in such orders low end imported switchgears eat into market.

The company has implemented various cost optimisation initiatives, better working capital management and operational excellence to become more competitive that will be leveraged along with our proven performance in quality and responsiveness. This shall help us to selectively address such market.

In certain part of the world prohibition of few products due to traces of particular material is in place and the same can be major exports opportunity in some other parts of the world. The company has developed the alternate products to address these types of markets and is treading the path to establish the same.

**Human Resources**

The company continue to stress the importance of talent acquisition and is also aware the challenges faced in this area more significantly for mid-size companies.

The company has given more focus on attracting, retaining and nurturing talent by creating a vibrant working atmosphere and cohesive workforce.

Company has formulated basic competency framework that shall help for better and consistent hiring helping the organisation at all levels. The company has identified few hot skilled employees identified as "core" and the career mapping of this core is being put in place. This will facilitate the trust and transparency and same shall be cornerstone in nurturing the talent pool critical in achieving the short term and long term goal of the organisation.

Suggestion scheme has been implemented in order to encourage Overall employee engagement. This has enabled us to capture many ideas which can help us in the area of quality, safety, processes and system. This fosters higher engagement level as well.

HR has implemented Key performance indicators for all functions leading to target driven culture which also helps to identify gaps and improve upon it. This has brought transparency and homogeneity in overall operations.

One of the most high impact and high importance initiative PMS (performance management system) has matured to a great extent. This has given clarity to the individual and also helps him to align his individual goal with organisational objectives.

This is being achieved through Balance score card (BSC) provides clear prescription as to what companies should measure in order to "balance" the financial perspective.

It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results.

BSC has four different perspectives:

- The Financial Perspective
- The Customer Perspective
- The Business Process Perspective

▪ The Learning & Growth Perspective

Company is confident of achieving major transformation by this initiative and expects it to be a catalyst in achieving the desired results.

In addition to this company has made arrangement with leading Switchgear Company to provide training to its employees at company's premise which shall stand in good stead with respect to skill building and competency infusion.

As planned last year company has implemented the concept of industrial tour for its employees in entry level segment. This has helped the employees to understand the nuances of the end products which help them in their routine operations as they are better informed about end products. The little good learning are horizontally deployed

**Business development & growth:**

The company has taken international business development as one of the high impact business strategy to achieve its strategic plan. The plan to appoint representatives and agents in new geographies was decided and in line with this the company has entered the new geography of North America for LV business by appointing its marketing and distributing partner. This partner company consists of professional engaged in developing market in North America with clearly defined goals, short and medium terms. This should augur well for the company as Presence in North America for LV business was not there and American economy off late has surprised many by doing better than expected.

On domestic front company could develop and establish a new vertical of bullion. The theme behind the same is "silver for investment." The company has minted coins and casted bars in its repertoire of bullion basket. The same is expected to complement the existing business.

**Corporate Social responsibility**

The company runs a charitable trust named Modison charitable trust which in turn runs maternity hospital. It donates bed for needy patients time to time.

Inspired by our honorable Prime Minister Mr Narendra Modi movement of "Beti Bachao, Beti padhao" the trust as token of appreciation gives Rs 1100 for every girl child born in the maternity hospital besides providing free treatment.

The trust is also engaged in providing scholarships to needy students in order to contribute to their future in humble way. The trust also provided financial support to its employees for fatal diseases and unforeseen circumstances like accidents to its employee and it's dependent.

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**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 serve 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.

The Company has established procedures and systems to be fully compliant with the requirements stipulated by the Securities and Exchange Board of India (SEBI) from time to time, under the revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The provisions of Clause 49 have been implemented in a manner so as to achieve the objectives of Corporate Governance.

**2. RIGHTS OF THE SHAREHOLDERS**

The Company believes in protecting the rights of the shareholders. It ensures adequate and timely disclosure of all information to the shareholders in compliance with the applicable laws. Shareholders are furnished with sufficient and timely information concerning the general meetings, issues to be discussed thereat and rules regarding holding and conducting the general meetings. All shareholders are treated equitably.

**3. ROLE OF THE STAKEHOLDERS**

The Company recognises the rights of the stakeholders who are provided opportunity to obtain effective redressal for violation of their rights. Keeping the same in view, the Company has laid down an effective whistle blower policy enabling stakeholders, including employees to freely communicate their concerns about illegal or unethical practices.

**4. BOARD OF DIRECTORS****a) Composition and Category of Directors**

The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors who 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.

As on 31<sup>st</sup> March, 2015 The Board of the Company comprises eight Directors - Three Executive Directors and five Non-Executive Directors, of whom three are Independent Directors. The current strength of the Board includes one Women Director as required under applicable legislation. The Chairman of the Board is a Non-Executive Independent Director.

**Directors' Attendance Record and Directorship / Committee Membership / Chairmanship held as on 31.03.2015**

Name of Director	Executive / Non-Executive / Independent	Relation ship with Other Directors	Board Meetings attended during the year	Whether attended last AGM	Director-ships* including MML)	Committee Position (Including MML)	
						Chairman	Member
Mr. Ranjan Dasgupta – Chairman	Non-Executive & Independent	None	3	No	1	2	-
Mr. G. L. Modi - Managing Director	Executive	Father of Mr. Kumar Jay Modi	6	Yes	1	-	1
Mr. Rajkumar Modi - Wholetime Director	Executive	None	6	Yes	1	-	2
Mr.Kumar Jay. Modi-Wholetime Director	Executive	Son of Mr. G.L.Modi	5	Yes	1	-	-
Mr. Suresh Mody	Non-Executive	None	6	Yes	1	-	-
Mr. R A Goenka	Non-Executive & Independent	None	6	Yes	2	-	1
Mr.L P Aggarwal(Resigned w.e.f.11.09.2014)	Non-Executive & Independent	None	2	No	-	-	-
Mr. B.B. Singh (Resigned on 07.05.2014 ) (Appointed again on 27.10.2014)	Non-Executive	None	4	Yes	1	-	-
Mrs.Rita Bhatia- Women Director(Appointed w.e.f 27/10/2014)	Non-Executive & Independent	None	2	NA	1	-	1

\* Number of Directorships/memberships and Committee position held in other companies excludes directorship/member in Private Limited Companies, Foreign Companies and Companies under section 8 of the Companies Act, 2013 and includes Audit Committee, Stakeholders Relationship Committee in Public Limited Companies including Modison Metals Limited.

**b) Appointment / Reappointment of Directors**

Mr. G L Modi is proposed to be reappointed as Managing Director and Mr. Kumar Jay Modi is proposed to be reappointed as Whole time Director at the ensuing Annual General meeting.

Mr. Suresh Mody and Mr. Rajkumar Modi 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 32nd Annual General Meeting is given below:-

	Name of the Director	Mr.G.L. Modi	Mr.Kumar Jay Modi	Mr. Suresh Mody	Mr. Raj Kumar Modi
i)	Date of birth	04.06.1941	05.12.1978	23.10.1944	08.03.1965
ii)	Date of Appointment	01.01.1997	01.04.2012	01.01.1997	09.06.1998
iii)	Qualification	Diploma in Mechanical Engineering	B.Com	B.Com., LLB	B.Com., MBA
iv)	Expertise in specific functional area	50 years of experience in Engineering Industry.	International Sales & Marketing	48 year's experience in Finance and Taxation.	He has a sharp business acumen, stronghold in export market and excellent administrative skills
v)	List of other public limited companies (in India) in which outside directorship held	None	None	None	None
vi)	Member of the committee/s of Board of Member of the committee/s of Board of Directors of other companies in which he is a Director	None	None	None	None
vii)	Relationship with other Director	Father of Mr.Kumar Jay Modi	Son of Mr. G.L Modi	None	None

Mr.B.B Singh and Mrs. Rita Bhatia was appointed as Additional Director w.e.f 27/10/2014.

	Name of the Director	Mr.B.B.Singh	Mrs. Rita Bhatia
i)	Date of birth	08/02/1956	20/11/1949
ii)	Date of Appointment	27.10.2014	27.10.2014
iii)	Qualification	Engineer	LLB
iv)	Expertise in specific functional area	He has wide experience in technical field.	She is a legal practitioner.
v)	List of other public limited companies (in India) in which outside directorship held	None	None
vi)	Member of the committee/s of Board of Member of the committee/s of Board of Directors of other companies in which he is a Director	None	None
vii)	Relationship with other Director	None	None



**c) Independent Directors**

The Independent Directors of the Company fully meet the requirements laid down under Clause 49 II (B) of the Listing Agreement. As mandated by Clause 49 of the Listing Agreement :

An independent director in relation to a company, means a non executive director other than a nominee director of the Company,

who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(i) is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) is not related to promoters or directors in the company, its holding, subsidiary or associate company;

apart from receiving director's remuneration, who has or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

holds together with his relatives two per cent. or more of the total voting power of the company; or

is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;

is a material supplier, service provider or customer or a lessor or lessee of the company;

who is not less than 21 years of age.

**Notes:**

1) “**associate company**”, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation.—For the purposes of this clause, “significant influence” means control of at least twenty per cent of total share capital, or of business decisions under an agreement.

2) “**relative**”, with reference to any person, means anyone who is related to another, if—

(i) they are members of a Hindu Undivided Family;

(ii) they are husband and wife; or

(iii) one person is related to the other in such manner as may be prescribed;

3) “**key managerial personnel**”, in relation to a company, means—

(i) the Chief Executive Officer or the managing director or the manager;

(ii) the company secretary;

(iii) the whole-time director;

(iv) the Chief Financial Officer; and

(v) such other officer as may be prescribed;

The **tenure** of the Independent Directors is fixed in accordance with the requirements laid down in the Companies Act, 2013 and clarifications / circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

All the Independent Directors has furnished a declaration that he / she meets the criteria of independence as laid down in Section 152 of the Companies Act, 2013. The Company has provided the appointment letter to Independent Directors alongwith code for independent directors which are also available on the Company's website.

#### **d) Performance Evaluation of Directors**

The Nomination and Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Non Executive Directors. The parameters of performance evaluation of the Non Executive Directors will capture the following points:

- Attendance at meetings of the Board and Committee thereof,
- Participation in Board meetings or Committee thereof,
- Contribution to strategic decision making,
- Review of risk assessment and risk mitigation,
- Review of financial statements, business performance, and
- Contribution to the enhancement of brand image of the Company.

The Board of Directors (excluding the Director being evaluated) had, in their Meeting held on 04<sup>th</sup> February, 2015 evaluated the performance of all the Directors on the Board.

#### **e) Separate meetings of the Independent Directors**

The Independent Directors held a Meeting on 04<sup>th</sup> February, 2015, without the attendance of Executive Directors and members of Management. At the Meeting, they :

- (i) reviewed the performance of non-independent directors and the Board as a whole;
- (ii) assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **f) Familiarisation Programme for Independent Directors**

Whenever any person joins the Board of the Company as an Independent Director, an induction programme is arranged. The Company conduct programmes/ presentations periodically to familiarise the Independent Directors with the strategy, operations and functions of the Company through its Executive Directors or Senior Management Personnel.

The details of such familiarisation programmes have been disclosed on the Company's website at [www.modison.com](http://www.modison.com).

### **5. BOARD MEETINGS AND GENERAL MEETINGS**

**a)** The Board meets at least four times in a year with a maximum time gap of one hundred and twenty days between two Board Meetings is not more than 4 months as per the Clause 49 of the Listing Agreement.

The meetings of the Board of Directors/Committee are held in Mumbai. The Board meets at least once in a quarter interalia to review the quarterly performance and financial results. A total of six Board Meetings were held during the year 2014-2015 on the following dates: 26.05.2014, 14.07.2014, 11.08.2014, 27.10.2014, 05.11.2014 and 04.02.2015.

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 X of the 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 well in advance along with the relevant details and explanatory notes wherever required.

**Information Supplied to the Board / Committees**

Among others, information supplied to the Board / Committees includes:

- Annual operating plans and budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of the Meetings of the audit committee and all other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including the appointment or removal, if any, of Chief Financial Officer and Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards royalty, goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature of investments, assets which are not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-Compliance status of any regulatory, statutory nature or listing requirements and shareholders' service, such as non-payment of dividend, delay in share transfer etc.
- Compliance with all the laws as applicable to the Company.

**b) GENERAL MEETINGS****Annual General Meetings held during last three years**

Financial year	Date	Time	Venue
2011-2012	07.08.2012	11:30 A.M.	Radio Room, Bombay
2012-2013	10.09.2013	11:30 A.M.	Presidency Radio Club
2013-2014	09.09.2014	11:30 A.M.	Ltd., Arthur Bunder Road, Colaba, Mumbai.

The following Special Resolutions were passed at the AGM held on **07.08.2012**.

- Re-appointment and Remuneration of Mr. G.L. Modi Managing Director of the Company.
- Appointment and Remuneration of Mr. Kumar Jay Modi Wholetime Director of the Company.
- Appointment of Mr. Suresh Mody Director of the Company, as a Consultant of the Company.
- Appointment of Mr. Ranjan Dasgupta, Director of the Company, as a Consultant of the Company.

There are no Special Resolutions passed at the AGM held on **10.09.2013**.

The following Special Resolutions were passed at the AGM held on **09.09.2014**.

- Borrowing of Money Power to Board of Directors of the company u/s 180(1)(c) of the Companies Act, 2013.
- Power to create charge, Mortgage etc. in Movable/ Immovable Properties u/s 180 (1)(a) of the Companies Act, 2013.

**Postal Ballots**

No resolutions are proposed to be conducted through postal ballot at the ensuing AGM.

**c) Extra Ordinary General Meeting**

No Extra Ordinary General Meeting of the Shareholders was held during the financial year ended 31<sup>st</sup> March, 2015.

**6. BOARD COMMITTEES**

As mandated by the revised Clause 49 which has become applicable to the Company with effect from 1<sup>st</sup> October, 2014, none of the Directors on the Board is a Member of more than ten (10) Committees and none is a Chairman of more than five (5) Committees across all the Indian Public Limited Companies in which they are Directors. All the Directors have made necessary disclosures regarding Committee positions held by them in other Companies.

To align with the requirements prescribed for such Board Committees under the provisions of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement, during the year ended 31 March, 2015, the Board of Directors amended the terms of references, wherever required.

The Board has constituted the following committees of Directors:-

- I) Audit Committee.
- II) Nomination and Remuneration Committee.
- III) Stakeholders Relationship Committee.
- IV) Corporate Social Responsibility Committee.
- V) Risk Management Committee.
- VI) Share Transfer Committee.
- VII) Finance Committee.

**I) AUDIT COMMITTEE****a) Terms of Reference**

The term of reference of the Audit Committee include the matters specified under sub clause (iii) of clause 49 of the Listing Agreement.

**b) Composition**

The Audit Committee comprises of four Directors three of whom are Non Executive Independent Directors including the Chairman of the Audit Committee. The details of the members are as under :

<b>Name of the Directors</b>	<b>Category</b>	<b>Designation</b>
Mr. Ranjan Dasgupta	Non-Executive and Independent	Chairman
Mr. R A Goenka	Non-Executive and Independent	Member
Mr. Rajkumar Modi	Executive	Member
Mr. L.P Aggarwal (Resigned w.e.f. 11/09/2014)	Non-Executive and Independent	Member
Mrs. Rita Bhatia (Appointed w.e.f 27/10/2014)	Non-Executive and Independent	Member

The Chief Financial Officer and 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 absent in the Last Annual General Meeting. The Statutory Auditor and Internal Auditor are invitees to the meetings.



**c) Power of Audit Committee**

The Audit Committee has the following powers:-

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

**d) Role of Audit Committee**

- 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 on terms of section 134 of the Companies Act, 2013;
  - 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 statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter and reviewing with the management the performance of statutory auditors, adequacy of internal control systems.
- vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii) Approval or any subsequent modification of transactions of the company with related parties;
- ix) Granting of omnibus approval in the line with the related party transactions which are repetitive in nature. After satisfying the need for omnibus approval, such approval is in the interest of the Company.
- x) Scrutiny of inter-corporate loans and investments;
- xi) Valuation of undertakings or assets of the company, wherever it is necessary;



- xii) Evaluation of internal financial controls and risk management systems;
- xiii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiv) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xv) Discussion with internal auditors of any significant findings and follow up there on;
- xvi) 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.
- xvii) 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.
- xviii) 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.
- xix) To review the function of Whistle Blower Mechanism.
- xx) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xxi) 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.
- iv) Internal audit reports relating to internal control weaknesses.
- v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

#### f) Audit Committee meetings and attendance

Four Audit Committee Meetings were held during the year ended 31<sup>st</sup> March, 2015 on 26.05.2014, 11.08.2014, 05.11.2014 and 04.02.2015. Details of attendance of each Director at the Audit Committee Meetings are given below:-

Sr.No	Name	No. of Meetings Attended
1	Mr. Ranjan Dasgupta	2
2	Mr. R A Goenka	4
3	Mr. L P Aggarwal (Resigned w.e.f 11/09/2014)	2
4	Mr. Rajkumar Modi	4
5	Mrs. Rita Bhatia (Appointed w.e.f 27/10/2014)	1

**II. NOMINATION AND REMUNERATION COMMITTEE****a) Terms of Reference**

The Company's Nomination and 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.

- i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- ii) Formulation of criteria for evaluation of Independent Directors and the Board;
- iii) Devising a policy on Board diversity.
- iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

**b) Composition and Details of Attendance of Nomination and Remuneration Committee**

Name of the Directors	Category	Designation	No. of Meetings attended
Mr. R A Goenka	Non-Executive and Independent	Chairman	2
Mr. Ranjan Dasgupta	Non-Executive and Independent	Member	2
Mr. L P Aggarwal(Resigned w.e.f 11/09/2014)	Non-Executive and Independent	Member	1
Mrs. Rita Bhatia	Non-Executive and Independent	Member	Nil

During the financial year 2014-2015, two Nomination and Remuneration Committee meeting was held on 26.05.2014 and 04.02.2015. The Chairman was present in the Last Annual General Meeting.

**c) Remuneration Policy**

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 Remuneration of Managing Director has been approved by the Central Government and remuneration to the Wholetime Director is being paid in accordance with and subject to the limits laid down in Schedule V to the Companies Act, 2013.

The remuneration to the Managing Director / Wholetime Director is approved by the Nomination and Remuneration Committee, Board of Directors and subsequently ratified by the Shareholders in the meeting, wherever applicable.

The Remuneration (including perquisites and benefits) paid to the Managing Director / Wholetime Director during the year ended 31st March 2015 is as follows:-

Name of director	Sitting Fees	Salary	Perquisites	Gratuity Provision	Contribution to Provident Fund	Total (Amt in Rs.)
G. L. Modi, Managing Director	-	11260161	108894	291346	17400	<b>11677801</b>
Rajkumar Modi, Whole Time Director	-	3780000	239685	181731	17400	<b>4218816</b>
Kumar Jay Modi, Whol Time Director	-	1500000	170571	72115	17400	<b>1760086</b>

**e) Service Contracts, Severance Fees and Notice Period**

The reappointment of the Managing Director Mr.G L Modi is for a period of 3 years from 09.07.2012 to 08.07.2015 and reappointment of Mr. Kumar Jay Modi is for a period of 3 years from 01.04.2012 to 31.03.2015.

The appointment of Wholetime Director of Mr. Rajkumar Modi is for a period of 3 years, from 01.06.2013 to 30.06.2016.

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

**f) Performance linked incentive criteria**

No such performance linked incentive are given to the appointees.

**g) Employee Stock Option Scheme**

The Company does not have any stock option scheme.

**h) 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 paid Professional Fees of Rs.3,00,000/- for F.Y. 2014-15 for rendering professional services.

Mr. Suresh Mody is also paid Professional Fees of Rs.10,00,000/- for the F.Y. 2014-15 for rendering Professional Services.

Mr. B.B.Singh is to be paid Professional Fees of Rs.3,90,000/- for the F.Y. 2014-15 for rendering Professional Services, subject to the approval of the members in the ensuing Annual General Meeting.

The details of Sitting Fees paid to Non-Executive Directors for attending Board and Committee Meetings during the year 2014-2015 are given below:

Sr. No.	Name Of Director	Directors Sitting Fees (*)
1	Mr. Ranjan Dasgupta	70000
2	Mr. Suresh Mody	60000
3	Mr. Ramavtar Goenka	120000
4	Mr.L P Aggarwal	50000
5	Mr. B B Singh	40000
6	Mrs. Rita Bhatia	30000

\* Includes fees for Audit Committee & Nomination and Remuneration Committee Meetings.

**i) The shareholding of Non-Executive Directors are as under:-**

Name of the Director	No. of Shares
Mr. Ranjan Dasgupta	Nil
Mr. Suresh Mody	2,27,240
Mr. Ramavtar Goenka	1,000
Mr. B B Singh	27,980
Mrs. Rita Bhatia	Nil

**III. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Board of Directors had constituted the Stakeholders Relationship Committee. The Committee focuses primarily on monitoring and ensuring that all shareholder and investor services operate in an efficient manner and that shareholder and investor grievances / complaints including that of all other stakeholders are addressed promptly with the result that all issues are resolved rapidly and efficiently.

Mr. Ranjandas Gupta, Non-Executive and independent Director is the Chairman of the Shareholders' Relationship committee. The Chairman was absent in the last Annual General Meeting.

The Composition of the Stakeholders Relationship Committee is detailed below:-

Name of the Director	Category	Designation
Mr Ranjan Dasgupta	Non- Executive and Independent	Chairman
Mr. G L Modi	Executive	Member
Mr. Rajkumar Modi	Executive	Member

Mr. Ramesh Kothari, Chief Financial Officer, is acting as the Compliance Officer of the Committee. The Committee also noted that no investors/shareholders complaints received as on 31<sup>st</sup> March 2015.

**IV. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

Pursuant to the provision of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility (CSR) Committee. The terms of reference of the CSR Committee include the matters specified under Section 135 of Companies Act, 2013.

Mr. G L Modi, Executive and Managing Director is the Chairman of the CSR Committee .One meeting of the CSR Committee was held on 05.11.2014.The Chairman was present in the last Annual General Meeting.

The Composition of the CSR Committee is detailed below:-

Name of the Director	Category	Designation	No. of Meetings Attended
Mr. G L Modi	Executive	Chairman	1
Mr. Suresh Mody	Non- Executive	Member	1
Mr. R A Goenka	Non- Executive and Independent	Member	1

**V. RISK MANAGEMENT COMMITTEE**

The terms of reference of the Risk Management Committee include implementation and monitoring the risk management plan for the Company.

Mr. Rajkumar Modi, Executive and Whole Time Director is the Chairman of the Risk Management Committee. The meeting of the Committee was held on 04.02.2015. The Chairman was present in the last Annual General Meeting.

The Composition of the Risk Management Committee is detailed below:-

Name of the Director	Category	Designation	No. of meetings held
Mr. Raj Kumar Modi	Executive	Chairman	1
Mr. Kumar Jay Modi	Executive	Member	1
Mr. Rakesh Singh	Chief Executive Officer	Member	1

**VI. SHARE TRANSFER COMMITTEE**

The terms of reference of the Share transfer Committee includes approving or dealing with applications for transfer, transmission, transposition and mutation of shares and certificates including duplicate, split, sub-division or consolidation of certificates and to deal with all related matters.

There were no physical transfers during the year.

The Composition of the Share Transfer Committee is detailed below:-

Name of the Director	Category
Mr. Raj Kumar Modi	Executive Director
Mr. Ramesh Kothari	Chief Financial Officer

**VII. FINANCE COMMITTEE**

The terms of reference of the Finance Committee include primarily to provide financial oversight for the organization.

Mr. G.L Modi, Executive and Managing Director is the Chairman of the Finance Committee

The Composition of the Finance Committee is detailed below:-

Name of the Director	Category	Designation
Mr. G.L Modi	Executive	Chairman
Mr. Suresh Mody	Non-Executive	Member
Mr. R A Goenka	Non-Executive and Independent	Member



## **7. DISCLOSURES**

### **a) Whistle Blower Policy/Vigil Mechanism**

In line with the best Corporate Governance practices, Modison Metals Limited, has put in place a system through which the Directors, employees and business associates may report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct without fear of reprisal. The Company has put in place a process by which employees and business associates have direct access to the Higher level and Compliance Officer.

The Whistle-blower Policy is placed on the website of the Company.

### **b) Subsidiary Company**

Modison Contacts Private Limited, an unlisted Private Limited Company is a subsidiary Company of Modison Metals Limited w.e.f 05/03/2015. The subsidiary is not a material subsidiary Company.

The Company has formulated a policy for determining material subsidiary and has been disclosed on the website of the Company. The weblink is <http://www.modison.com/pdf/financial/Material-Subsidiaries-Policy-MML.pdf>

### **c) Related Party Transactions**

The Company has formulated a policy on Related Party Transactions and also on dealing with Related Parties which is disclosed on the website of the Company and the weblink is <http://www.modison.com/pdf/financial/Related-Party-Transaction-Policy-MML.pdf>.

All Related Party Transactions have been approved by the Audit Committee. The Company has taken omnibus approval of Audit Committee for a period of one year. The Audit Committee has reviewed on quarterly basis the details of Related Party Transactions entered into by the Company pursuant to such omnibus approval.

## **8. OTHER DISCLOSURES**

a) There are no materially related party transactions. Related party transactions are disclosed in Note No. 32 to the financial statement in the Annual Report. The Audit Committee had reviewed and approved the related party transactions as mandatory requirement under clause 49 of the Listing Agreement. The policy of related party transactions is available on the website of the Company.

b) The Company has prepared the financial statements in compliance with the Accounting Standards applicability to the Company. There is no material departure from the accounting treatment prescribed under the Accounting Standards.

c) 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.

d) The Company has complied with all the mandatory requirements and has also disclosed information relating to non-mandatory requirements.



**9. MEANS OF COMMUNICATION****a) Quarterly un-audited Financial Results**

Quarterly un-audited Financial Results were published in the Economic Times, Navbharat 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](http://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.

**10. NON-MANDATORY REQUIREMENTS****a) Chairman's Office**

During the year under review, the Company has not maintained any office for Non Executive Chairman.

**b) Audit Qualifications**

There are no qualifications in the Auditors' Report to the Members on the Financial Accounts for the year ended 31.03.2015.

**c) Shareholders' Rights**

The Quarterly, Half yearly and Annual Financial Results of the Company are published in the Newspapers, besides notifying to the Stock Exchanges where the Company shares are listed. The Quarterly, Half yearly and Annual Financial Results are also available on Company's website. The Audited annual report is also sent to every shareholders of the Company.

**d) Other Non-Mandatory Requirements**

The other Non-mandatory requirements will be implemented in due course as and when required and/or deemed necessary by the Board.

**11. SECRETARIAL AUDIT**

A qualified Practising Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-a-viz the issued and listed capital.

The report by M/s. Ragini Chokshi & Co, a Practising Company Secretary confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Also, the secretarial audit report by M/s. Ragini Chokshi & Co, a Practising Company Secretary have no adverse remarks for the year ended 31<sup>st</sup> March, 2015. The report is self-explanatory.

**12. GENERAL SHAREHOLDER INFORMATION**

- |    |                             |  |
|----|-----------------------------|--|
| a) | 32 <sup>nd</sup> AGM Date:  | 11 <sup>th</sup> August, 2015.   |
|    | Time:                       | 11:30 A.M.   |
|    | Venue:                      | Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai – 400005. |
| b) | Financial year              | April – March each year  |
| c) | Book Closure Date:          | 04/08/2015 to 11/08/2015 (Both days inclusive)   |
| d) | Period of e-voting          | 08/08/2015 (10.00am) to 10th August, 2015 (5:00 pm).   |
| e) | Listing on Stock Exchanges: | BSE Ltd., Mumbai.  |

- f) Stock Code: 506261 (Bombay Stock Exchange Ltd.)
- g) Payment of annual Listing Listing Fees for the Financial Year: 2014-2015 has been paid to the BSE.
- h) Dividend Payment 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 10<sup>th</sup> September 2015 to the Shareholders.
- i) Financial Calendar (provisional):
- |                                  |                              |
|----------------------------------|------------------------------|
| 1 <sup>st</sup> Quarterly Result | Second week of August 2015   |
| 2 <sup>nd</sup> Quarterly Result | Second week of November 2015 |
| 3 <sup>rd</sup> Quarterly Result | Second week of February 2016 |
| Annual Results                   | Last week of May 2016        |
- j) 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. 2014	39.90	29.15	22,939.31	22,197.51
May 2014	43.70	31.85	25,375.63	22,277.04
June 2014	54.90	41.50	25,735.87	24,270.20
July 2014	51.00	43.20	26,300.17	24,892.00
Aug. 2014	49.00	37.15	26,674.38	25,232.82
Sept. 2014	63.50	42.15	37,354.99	26,220.49
Oct. 2014	53.35	46.00	27,894.32	25,910.77
Nov. 2014	66.60	47.00	28,822.37	27,764.75
Dec. 2014	58.00	45.60	28,809.64	26,469.42
Jan. 2015	68.40	55.55	29,844.16	26,776.12
Feb. 2015	59.90	43.90	29,560.32	28,044.49
Mar. 2015	50.50	40.00	30,024.74	27,248.45

- k) 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.
- l) Registrar & Transfer Agent (For physical and Demat) FREEDOM REGISTRY LIMITED  
(Formerly AMTRAC MANAGEMENT SERVICES LTD.)  
Plot No. 101/102 MIDC, 19<sup>th</sup> Street, Satpur, Nasik – 422 007  
Tel: 95-253-2354032 Fax: 95-253-2351126  
Email : amtrac\_nsk@sancharnet.in
- m) Distribution of Shareholding As on 31st March, 2015

Slab	No. of shareholders		No. of Equity Shares	
	Total	%	Total	%
1-100	1182	32.47	76107	0.23
101-200	504	13.85	92413	0.28
201-500	812	22.31	325839	1.00
501-1000	472	12.97	419277	1.29
1001-5000	444	12.20	1066277	3.29
5001-10000	77	2.11	610146	1.88
10001 & Above	149	4.09	29859941	92.03
<b>Total:</b>	<b>3640</b>	<b>100.00</b>	<b>32450000</b>	<b>100.00</b>

- n) Shareholding Pattern: As on 31<sup>st</sup> March, 2015

Category	No. of Equity shares	%
Promoters Holding:	1,67,05,083.00	51.48%
Non-Promoters Holding:		
FII's	50,000.00	0.15%
Mutual Funds	0.00	0.00
Private Corporate Bodies	0.00	0.00
NRIs / OCBs	3,15,441.00	0.97%
Indian Public	1,53,79,476.00	47.40%
<b>Total:</b>	<b>3,24,50,000.00</b>	<b>100%</b>

- o) 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 31.03.2015 is 3,24,07,930.
- p) Outstanding GDRs / Warrants or any convertible instruments: Nil
- q) Registered Office: 33 Nariman Bhavan,  
227 Nariman Point,  
MUMBAI – 400021.
- r) Works: Plot No. 85/A, B, D & E, Phase 1, Road 'E', VAPI – 396195
- s) Address for correspondence: 33 Nariman Bhavan, 227 Nariman Point, MUMBAI – 400021.
- t) 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.
- u) Certification by CEO for compliance with Code of Conduct:  
As required under Clause 49 of the Listing Agreement, all the Board Members and Senior Management Personnel have affirmed compliance with the Company's code of conduct for the year ended March 31<sup>st</sup>, 2015. The code of conduct of the Company also includes Code of Independent Directors which is available on the Company's website.

**Mr. G. L. MODI**  
**Managing Director**

Place : Mumbai  
Date : 27<sup>th</sup> May 2015.

The above Corporate Governance Report has been adopted by the board of Directors at their meeting held on 27<sup>th</sup> May 2015.

**Mr. G. L. MODI**  
**Managing Director**

Place : Mumbai  
Date : 27<sup>th</sup> May 2015

**v) CERTIFICATION**

We, the undersigned of the Company hereby certify that :

1. We have reviewed the financial statements and the cash flow statement for the year 31<sup>st</sup> March 2015 and that to the best of our knowledge and belief :

These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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.

2. That there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies and
4. We have indicated to the auditors and the Audit committee that there are:
  - significant changes in internal control over financial reporting during the year ,if any;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
  - No instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**G. L. MODI**  
**MANAGING DIRECTOR**

**RAMESH KOTHARI**  
**CHIEF FINANCIAL OFFICER**

**Place : Mumbai**  
**Date : 27<sup>th</sup> May 2015**

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**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, 2015, 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

**J.P. BAIRAGRA**  
**PARTNER**  
Membership No.12839  
Place : Mumbai  
Date : 27<sup>th</sup> May, 2015



**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF MODISON METALS LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of MODISON METALS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31<sup>st</sup> March, 2015 and its profit and its cash flows for the year ended on that date.

**Emphasis of Matter**

1. We draw attention to Note No. 13.2 of the Financial Statement which states that as per the policy of inventory valuation of the company, the Silver booked by the customer has been valued at the rate at which the same is booked by customers which is not in consonance with Accounting Standard 2, on "Inventory valuation". However the impact on the profit is not material. Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements materially comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.18(a) to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For and on behalf of  
M. L. Bhuwania & Co.  
Chartered Accountants  
Firm's Registration No. 101484W

J.P. Bairagra  
Partner  
Membership No.12839

Place: Mumbai  
Date: 27<sup>th</sup> May, 2015

**Annexure referred to in paragraph titled as "Report on other Legal and Regulatory Requirements" of Auditor's report to the members Modison Metals Limited for the year ended 31st March 2015.**

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 is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) 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 inventories were not material and have been properly dealt with in the accounts.
- (ii) (a) During the year, the inventories have been physically verified by the management. 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) The Company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, 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 continuing failure to correct major weakness in such internal controls system has been observed.
- (v) The Company has not accepted any deposits from the public. Accordingly, clause 3 (v) of the Order is not applicable to the Company.
- (vi) The Central Government has prescribed maintenance of cost records for the company under sub section (1) of section 148 of the Companies Act, 2013 and such accounts have been made and maintained by the company. However, no detailed examinations of such records and accounts have been carried out by us.
- (vii) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth 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 as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of Wealth Tax, Service Tax, Customs Duty and Cess, which have not been deposited on account of any dispute.

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

Sr.No.	Name of the Statute	Nature of the Dues	Amount (Rs.)	Financial Year to which the amount relates	Forum where dispute is pending
1.	Gujarat Valued Added Tax Act, 2003	Pending Forms	733,430	2010-2011	Joint Commissioner of Commercial Tax (Appeals)
2.	Income Tax Act, 1961	Income Tax Dues	10,523,428	2008-2009 and 2010-2011	Commissioner of Income Tax (Appeals)
3.	Central Excise Act, 1944	Excise duty Dues	208,293	2006-2007 to 2009-2010	Honourable CESTAT
		Service Tax Dues	1,527,580	2006-2007 to 2010-2011	Commissioner of Central Excise (Appeals)

- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (viii) 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 and in the immediately preceding financial year ended.
- (ix) According to the records of the Company examined by us and the information and explanation 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.
- (x) 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 3 (x) of the Order is not applicable to the Company.
- (xi) 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.
- (xii) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2015.

For and on behalf of  
M. L. BHUWANIA & CO.  
Chartered Accountants  
Firm Registration No. 101484W

J.P. Bairagra  
Partner  
Membership No. 12839

Place: Mumbai  
Date: 27<sup>th</sup> May, 2015



**BALANCE SHEET AS AT 31ST MARCH, 2015**

Particulars	Note No.	As at 31st Mar 2015 Rupees	As at 31st Mar, 2014 Rupees
<b>I EQUITY AND LIABILITIES</b>			
(1) Shareholder's funds			
(a) Share Capital	1	32,450,000	32,450,000
(b) Reserves & Surplus	2	941,112,950	925,958,257
(2) Non-current liabilities			
(a) Long - term borrowings	3	1,775,378	8,013,654
(b) Deferred tax liabilities (Net)	4	81,532,615	83,709,418
(c) Long - term provisions	5	6,301,730	5,717,885
(3) Current liabilities			
(a) Short - term borrowings	6	259,204,539	223,934,075
(b) Trade payables	7	37,870,897	29,271,465
(c) Other current liabilities	8	81,871,840	112,264,981
(d) Short - term provisions	9	32,498,631	49,895,320
<b>TOTAL</b>		<b>1,474,618,580</b>	<b>1,471,215,055</b>
<b>II ASSETS</b>			
(1) Non - current assets			
(a) Fixed assets	10		
(i) Tangible assets		570,408,342	595,856,172
(ii) Intangible assets		3,688,781	5,493,266
(iii) Capital work - in - progress		15,953,167	5,109,277
(b) Non - current investments	11	1,491,740	-
(c) Long - term loans and advances	12	72,879,477	54,821,448
(2) Current assets			
(a) Inventories	13	450,216,039	440,499,098
(b) Trade receivables	14	305,789,981	326,149,960
(c) Cash and bank balances	15	18,733,737	17,071,356
(d) Short - term loans and advances	16	31,159,509	22,900,830
(e) Other current assets	17	4,297,807	3,313,648
<b>TOTAL</b>		<b>1,474,618,580</b>	<b>1,471,215,055</b>
Contingent Liabilities and commitments	18		
NOTES ON ACCOUNTS	1 to 41		

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

As per our report of attached even date.  
**FOR M. L. BHUWANIA & CO.**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration Number: 101484W**

**FOR AND ON BEHALF OF THE BOARD**

**G.L. MODI**  
**MANAGING DIRECTOR**

**SURESH MODY**  
**DIRECTOR**

**J.P. BAIKAGRA**  
**PARTNER**  
**MEMBERSHIP NO. 12839**

**RAMESH KOTHARI**  
**CHIEF FINANCIAL OFFICER**

**DEEPASHREE DADKAR**  
**COMPANY SECRETARY**

**PLACE : MUMBAI**  
**DATED : 27TH MAY, 2015**

**PLACE : MUMBAI**  
**DATED : 27TH MAY, 2015**



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
		<b>Rupees</b>	<b>Rupees</b>
<b><u>INCOME:</u></b>			
Revenue from operations	19	1,714,923,329	1,835,782,585
Other income	20	3,209,875	12,655,905
<b>Total Revenue</b>		<b>1,718,133,204</b>	<b>1,848,438,490</b>
<b><u>EXPENSES:</u></b>			
Cost of material consumed	21	1,277,595,751	1,267,783,418
Purchase of Stock in Trade	22	10,971,247	-
Changes in inventories of finished goods and work - in - progress	23	(25,143,713)	44,984,001
Employee benefits expense	24	95,956,567	90,598,028
Finance costs	25	34,738,543	28,938,641
Depreciation & amortization expense (Refer Note No. 10.2)	10	66,269,907	62,238,088
Other Expenses	26	191,291,021	177,196,564
<b>Total Expenses</b>		<b>1,651,679,323</b>	<b>1,671,738,740</b>
Profit before exceptional and extraordinary items & tax		66,453,881	176,699,750
Exceptional Items	27	-	7,894,531
Profit before extraordinary items and tax		66,453,881	184,594,281
Extraordinary Items		-	-
Profit before tax		66,453,881	184,594,281
Tax expense:			
(1) Current tax			
of Current year		21,750,000	55,900,000
of Earlier years		36,392	(12,573)
(2) Deferred tax		(1,361,871)	6,859,018
<b>Profit for the year</b>		<b>46,029,360</b>	<b>121,847,836</b>
Earning per equity share:	28		
(1) Basic		1.42	3.75
(2) Diluted		1.42	3.75
(3) Face Value per share		1.00	1.00

**NOTES ON ACCOUNTS**
**1 to 41**

The notes referred above form an integral part of the Statement of Profit and Loss.

As per our report of attached even date.

**FOR M. L. BHUWANIA & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration Number: 101484W

**FOR AND ON BEHALF OF THE BOARD**
**G.L. MODI**  
**MANAGING DIRECTOR**
**SURESH MODY**  
**DIRECTOR**
**J.P. BAIRAGRA**  
**PARTNER**  
MEMBERSHIP NO. 12839

**RAMESH KOTHARI**  
**CHIEF FINANCIAL OFFICER**
**DEEPASHREE DADKAR**  
**COMPANY SECRETARY**
**PLACE : MUMBAI**  
**DATED : 27TH MAY, 2015**
**PLACE : MUMBAI**  
**DATED : 27TH MAY, 2015**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

	2014-15 RUPEES	2013-14 RUPEES
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & Extraordinary Items	66,453,881	184,594,281
Adjustment for:		
Depreciation /Amortisation	66,269,907	62,238,088
Interest income	(2,270,765)	(1,669,517)
Interest expense	28,090,969	22,916,354
(Profit)/Loss on Sale of Assets/Obsolescence of Fixed Assets (Net)	(278,055)	505,030
Sundry Balances written off/(back) (net)	(140,912)	1,044,064
Unrealised Exchange Rate Fluctuation (Net)	4,092,056	225
	<u>95,763,200</u>	<u>85,034,244</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	162,217,081	269,628,525
ADJUSTMENTS FOR WORKING CAPITAL CHANGES :		
Trade Receivables	15,551,747	(131,312,580)
Inventories	(9,716,941)	22,938,543
Long - term loans and advances	(178,552)	(3,030,413)
Short - term loans and advances	(9,314,890)	(5,958,732)
Other current assets	(1,208)	(279,687)
Short - term provisions	740,102	(5,421)
Other current liabilities	(13,665,505)	(69,542,968)
Trade payables	8,534,081	(947,683)
Long - term provisions	583,845	1,566,925
	<u>(7,467,321)</u>	<u>(186,572,016)</u>
Cash Generated from Operations	154,749,760	83,056,508
Direct Taxes paid	(27,612,832)	(57,467,500)
NET CASH FROM OPERATING ACTIVITIES	<u>127,136,928</u>	<u>25,589,008</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including advances for capital goods	(64,691,115)	(60,052,735)
Investment in Subsidiary Company	(1,491,740)	-
Sale of Fixed Assets	1,135,396	713,800
Interest Received	1,229,136	596,177
	<u>(63,818,323)</u>	<u>(58,742,758)</u>
NET CASH USED IN INVESTING ACTIVITY	<u>(63,818,323)</u>	<u>(58,742,758)</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short -Term Borrowings (Net)	36,435,388	47,690,485
Repayment of Long -Term Borrowings	(23,501,034)	(27,728,589)
Interest Paid	(28,005,977)	(23,156,211)
Dividend Paid (Inclusive of Dividend Distribution Tax)	(47,456,097)	(37,964,878)
	<u>(62,527,720)</u>	<u>(41,159,193)</u>
NET CASH USED IN FINANCING ACTIVITY	<u>(62,527,720)</u>	<u>(41,159,193)</u>
NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	<u>790,885</u>	<u>(74,312,943)</u>
OPENING BALANCE OF CASH & CASH EQUIVALENTS	493,893	74,806,836
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	<u>1,284,778</u>	<u>493,893</u>
	<u>790,885</u>	<u>(74,312,943)</u>

**Notes**
**Closing Balance of Cash & Cash Equivalents (Refer Note No 15)**

1	Cash and Cash Equivalents Includes:		
	<u>BALANCE WITH SCHEDULED BANKS</u>		
	In Current Account	1,086,960	325,758
	CASH ON HAND	197,818	168,135
		<u>1,284,778</u>	<u>493,893</u>

2 Interest received excludes interest received for overdue payments from customers of Rs 113,001/- (Previous Year Rs. 142,233/-), which has been considered from operational activities of the company.

3 Previous year figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.

As per our report of attached even date,  
FOR M. L. BHUWANIA & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 101484W

FOR AND ON BEHALF OF THE BOARD

G.L. MODI  
MANAGING DIRECTOR

SURESH MODY  
DIRECTOR

J.P. BAIRAGRA  
PARTNER  
MEMBERSHIP NO. 12839

RAMESH KOTHARI  
CHIEF FINANCIAL OFFICER

DEEPASHREE DADKAR  
COMPANY SECRETARY

PLACE : MUMBAI  
DATED : 27TH MAY, 2015

PLACE : MUMBAI  
DATED : 27TH MAY, 2015

**NOTES ON ACCOUNTS**
**Amount in Rs.**
**1 SHARE CAPITAL**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Authorized Share Capital</b>		
32,500,000 Equity shares, Re. 1/- par value (Previous Year 32,500,000 equity shares Re. 1/- par value )	32,500,000	32,500,000
	<u>32,500,000</u>	<u>32,500,000</u>
<b>Issued, Subscribed and Fully Paid Up Shares</b>		
32,450,000 Equity shares, Re. 1/- par value (Previous Year 32,450,000 equity shares Re. 1/- par value )	32,450,000	32,450,000
	<u>32,450,000</u>	<u>32,450,000</u>
<b>Total Issued, Subscribed and Fully Paid Up Share Capital</b>	<u>32,450,000</u>	<u>32,450,000</u>

**Note No 1.1:** The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2015 :

Particulars	As at 31st March 2015		As at 31st March 2014	
	Number of Shares	Amount in Rs	Number of Shares	Amount in Rs
Number of shares at the beginning	32,450,000	32,450,000	32,450,000	32,450,000
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back	-	-	-	-
<b>Number of shares at the end</b>	<u>32,450,000</u>	<u>32,450,000</u>	<u>32,450,000</u>	<u>32,450,000</u>

**Note No 1.2: Terms/rights attached to equity shares**

(A) The company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(B) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Note No 1.3: The details of shareholders holding more than 5% shares in the company :**

Name of the shareholders	No. of shares held	% held as at March 31, 2015	No. of shares held	% held as at March 31, 2014
Mr. G.L. Modi	7,158,370	22.06%	7,158,370	22.06%
Mr. Rajkumar Modi	6,701,210	20.65%	6,701,210	20.65%
Mr. Prakashchandra Modi	4,680,488	14.36%	4,680,488	14.36%
Mr. Kumar Jay Modi	1,774,000	5.47%	1,774,000	5.47%

**2 RESERVES & SURPLUS**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Capital Reserve</b>		
At the beginning and at the end of the year	19,087,980	19,087,980
<b>Revaluation Reserve</b>		
Opening Balance	3,628,690	4,293,250
Less : Recoupment of depreciation on revalued assets	-	613,217
Less : Transfer to General reserve on sale of assets	964	-
Less : Loss on sale of revalued fixed assets	-	51,343
<b>Closing Balance</b>	<u>3,627,726</u>	<u>3,628,690</u>
<b>General Reserve</b>		
Opening Balance	113,053,763	100,868,763
Add: Transferred from surplus	-	12,185,000
Add: Transferred from revaluation reserve on sale of assets	964	-
Less: Adjustment of carrying amount (Net of Deferred Tax) as per Schedule II of Companies Act 2013 (Refer Note No 10.4)	-	-
Less: Carrying Amount (Net of residual value)	2,397,568	-
Less: Adjustment of Deferred Tax	814,932	1,582,636
<b>Closing Balance</b>	<u>111,472,091</u>	<u>113,053,763</u>
<b>Surplus</b>		
Opening Balance	790,187,824	727,981,085
Add: Transferred from Statement of Profit and Loss	46,029,360	121,847,836
<b>Amount available for appropriation</b>	<u>836,217,184</u>	<u>849,828,921</u>
<b>Less : Appropriations</b>		
Proposed Dividend	24,337,500	40,562,500
Dividend Tax on Proposed Dividend	4,954,531	6,893,597
Amount transferred to General Reserve	-	12,185,000
<b>Closing Balance</b>	<u>806,925,153</u>	<u>790,187,824</u>
<b>Total of Reserves &amp; Surplus</b>	<u>941,112,950</u>	<u>925,958,257</u>

**3 LONG -TERM BORROWINGS**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Secured Loan</b>		
<b>Term Loans</b>		
From Bank		
Rupee Loan (Refer Note No 3.1)	-	5,395,885
Vehicle Loans (Refer Note No 3.2)	767,544	-
From Others		
Vehicle Loans (Refer Note No 3.3)	1,007,834	2,617,769
	<u>1,775,378</u>	<u>8,013,654</u>

**Note No 3: Terms of Repayment, Nature of Securities in respect of Term Loans**

(3.1) Rupee loan from Bank of India amounting to Rs.Nil (Previous Year : Rs.53,95,885/-) carries interest rate ranging from 12.45% to 13% p.a and was repayable in 12 quarterly installments. This loan facility was secured by first pari passu charge on all (present and future) factory fixed assets of the company including equitable mortgage on the factory land and building at Vapi & Mumbai Office.

(3.2) Vehicle loan taken from ICICI Bank Limited carried interest @ 10.49% and is repayable in 36 monthly installment. The loan is secured by hypothecation of Vehicle.

(3.3) Vehicle loan taken from BMW Financial Services carried interest rate @ 9% and is repayable in 36 monthly installment. The loan is secured by hypothecation of Vehicle.

**NOTES ON ACCOUNTS**

		Amount in Rs.	
<b>4 DEFERRED TAX LIABILITIES (NET)</b>			
Particulars	As at March 31, 2015	As at March 31, 2014	
<b>Deferred tax liabilities</b>			
On account of difference between depreciation as per books and as per Income-tax Act, 1961	84,280,761	86,231,084	
	<u>84,280,761</u>	<u>86,231,084</u>	
<b>Less: Deferred tax assets</b>			
On account of expenses allowable on payment basis	2,477,439	2,281,278	
On account of allowance for bad & doubtful debts	<u>270,707</u>	<u>240,388</u>	
	<u>2,748,146</u>	<u>2,521,666</u>	
<b>Net Deferred Tax Liabilities</b>	<u>81,532,615</u>	<u>83,709,418</u>	
<b>5 LONG-TERM PROVISIONS</b>			
Particulars	As at March 31, 2015	As at March 31, 2014	
<b>Provisions for Employee Benefits</b>			
Provision for Gratuity	6,301,730	5,717,885	
	<u>6,301,730</u>	<u>5,717,885</u>	
<b>6 SHORT-TERM BORROWINGS</b>			
Particulars	As at March 31, 2015	As at March 31, 2014	
<b>Secured Loans</b>			
<b>Other loans &amp; advances</b> (Refer Note No. 6.1)			
From Bank- Working Capital Loan			
Foreign Currency Loan	36,932,950	30,411,083	
Rupee Loan	211,128,770	161,633,698	
<b>Other loans from Bank</b>			
Foreign Currency Loan (Refer Note No. 6.1)	11,142,819	31,889,314	
	<u>259,204,539</u>	<u>223,934,075</u>	
<b>Note No. 6.1:</b> Secured by Hypothecation of stocks & book debts and further secured by collateral security of all movable and immovable factory properties & Mumbai Office.			
<b>7 TRADE PAYABLES</b>			
Particulars	As at March 31, 2015	As at March 31, 2014	
Sundry Creditors For Goods (Refer Note No. 7.1)	13,174,900	3,890,302	
Sundry Creditors For Expenses (Refer Note No. 7.1 & 7.2)	24,695,997	25,381,164	
	<u>37,870,897</u>	<u>29,271,465</u>	
<b>Note No. 7.1:</b> The Company has not received any information from Vendors regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosures relating to amounts unpaid as at the end of reporting period together with interest paid/payable under this Act have not been given.			
<b>Note No. 7.2:</b> Professional Fee of Rs. 390,000/- provided during the year for Mr. B.B. Singh, Additional Director of the Company. The same was not paid pending approval of the Annual General Meeting.			
<b>8 OTHER CURRENT LIABILITIES</b>			
Particulars	As at March 31, 2015	As at March 31, 2014	
Current Maturities of Long Term Debt (Refer Note No. 3.2, 3.3)	7,009,107	24,271,865	
Interest Accrued but not due on borrowings	321,644	236,653	
Unpaid Dividend	557,478	489,714	
<b>Other payables</b>			
Sundry Creditors for Capital Goods	1,559,999	1,178,875	
Advances From Customers	67,989,112	83,418,637	
Statutory Dues Payable	4,394,500	2,631,237	
Others	40,000	40,000	
	<u>81,871,840</u>	<u>112,264,981</u>	
<b>9 SHORT - TERM PROVISIONS</b>			
Particulars	As at March 31, 2015	As at March 31, 2014	
<b>Provision for Employee Benefits</b>			
Provision for Gratuity	1,565,093	1,138,239	
Provision for Leave Salary	1,513,507	1,200,259	
<b>Others</b>			
Provision For Taxation	128,000.00	100,725	
Proposed Dividend (Refer Note No. 9.1)	24,337,500	40,562,500	
Dividend Distribution Tax (Refer Note No. 9.1)	4,954,531	6,893,597	
	<u>32,498,631</u>	<u>49,895,320</u>	
<b>Note No. 9.1:</b> The amount of dividend per share of Re. 0.75 (Previous Year Rs. 1.25) has been proposed to be distributed to equity shareholders for the year ended 31/03/2015. The total amount of dividend shall be Rs.2,92,92,031/- including dividend distribution tax Rs. 49,54,531/- (Previous Year Rs. 47,456,097/- including dividend distribution tax Rs.6,893,597/-).			
<b>11 NON CURRENT INVESTMENTS</b>			
Particulars	As at March 31, 2015	As at March 31, 2014	
<b>Non Trade Investments (at cost)</b>			
<b>Unquoted</b>			
In Equity Instruments			
Investment in Subsidiary Company			
Modison Contact Pvt. Ltd- Face Value Rs.100/- per share	4,800 1,491,740	- -	
<b>Aggregate value of Unquoted Investments</b>	<u>1,491,740</u>	<u>-</u>	

NOTES ON ACCOUNTS

10 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION & AMORTISATION			Amount in Rs.		
	AS ON 01.04.2014	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR (Refer Note No 10.3)	AS AT 31.03.2015	AS ON 01.04.2014	FOR THE YEAR (Refer Note 10.2 & 10.4)	DEDUCTION DURING THE YEAR (Refer Note No 10.3 & 10.4)	AS AT 31.03.2015	AS AT 31.03.2014
TANGIBLES ASSETS :									
Leasehold Land	9,446,414	-	-	9,446,414	-			9,446,414	9,446,414
Building (Note No. 10.1)	87,213,213	-	-	87,213,213	29,906,007	3,342,296	-	53,964,910	57,307,206
Building (SF6, Plot No. 85 B and Plot No. 85 D&E)	67,441,877	-	-	67,441,877	19,590,514	2,198,624	-	33,248,303	
Plant & Machinery	471,708,260	22,520,100	62,833	494,166,527	237,477,904	34,357,158	51,782	21,789,138	45,652,739
Plant & Machinery (SF6)	349,994,075	15,813,477	581,329	365,226,223	125,378,316	16,214,079	142,569,915	271,783,280	222,382,247
Furniture & Fixture	11,084,342	640,038	-	11,724,380	7,542,055	1,112,326	(977,520)	12,236,304	222,656,308
Vehicles	28,574,056	1,682,812	4,087,099	26,169,769	14,414,142	4,563,635	3,356,966	8,684,374	3,040,006
Office Equipment	23,855,870	1,616,087	12,235,656	13,236,301	19,152,997	2,677,304	11,310,760	15,529,541	14,159,914
TOTAL TANGIBLE ASSETS	1,049,318,107	42,272,514	16,966,917	1,074,623,704	453,461,935	64,465,422	13,711,995	504,215,362	595,856,172
PREVIOUS YEAR	997,585,378	56,234,633	4,501,904	1,049,318,107	394,074,167	61,243,165	1,855,397	453,461,935	
INTANGIBLES ASSETS :									
Computer Software	9,022,421	-	-	9,022,421	3,529,155	1,804,485	-	5,333,640	5,493,266
Technical Know How	808,687	-	-	808,687	808,687	-	-	808,687	-
TOTAL INTANGIBLE ASSETS	9,831,108	-	-	9,831,108	4,337,842	1,804,485	-	6,142,327	5,493,266
PREVIOUS YEAR	7,352,294	2,478,814	-	9,831,108	2,694,035	1,643,807	-	4,337,842	
C W I P - TANGIBLE									
Current Year	-	-	-	-	-	-	-	15,953,167	5,109,277
Previous Year	-	-	-	-	-	-	-	5,109,277	

Note No. 10.1: Buildings

Building includes Rs.500 (Previous Year Rs.500) being the face value of investment in shares of Co-operative Premises Society

Note No. 10.2: Depreciation & amortization expense

	2014-15	2013-14
Depreciation & amortization expense	62,886,972	62,886,972
Less : Recoupment from revaluation reserve	-	613,217
Less: Excess Depreciation charged for previous year 2012-13 written back	35,667	-
	<b>66,269,907</b>	<b>62,238,088</b>

Note No 10.3: Obsolescence of Fixed Assets

Deduction/Adjustment includes Obsolescence of Fixed Assets done during the Year.

Note No 10.4:

Pursuant to Schedule II Companies Act, 2013 (the Act) being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets except Plant & Machinery AG, Plant & Machinery SF6 and R&D Plant & Machinery as per useful life specified in Part 'C' of Schedule II of the Act. and due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current year ending 31st March, 2015 and in each period during the remaining useful life of the assets. Accordingly, the Company has re-worked depreciation with reference to the estimated economic lives of Fixed Assets prescribed by Schedule II of the Act during the year ended 31st March, 2015. In case of any asset whose life is completed as at 1st April 2014, the carrying amount (Net of residual value) of Rs. 1,582,637 has been adjusted to the Retained Earnings (Net of deferred tax of Rs. 814,932) and in other cases the carrying amount has been depreciated over the remaining of the revised life of the assets. As a result the charge for depreciation is higher by Rs.4,238,649 for the year ended 31st March, 2015.



**NOTES ON ACCOUNTS**

<b>12 LONG - TERM LOANS AND ADVANCES</b>		Amount in Rs.
Particulars	As at March 31, 2015	As at March 31, 2014
(Unsecured, Considered Good, unless specified otherwise)		
Capital Advances	47,892,715	35,848,944
Deposits	7,987,198	7,771,887
<b>Other Loans &amp; Advances</b>		
Advance recoverable in cash or kind or for value to be received	238,968	127,751
Advance Tax (Net of Provision for Taxation)	16,474,096	10,620,381
Loans and Advances to Employees	286,500	452,485
	<b>72,879,477</b>	<b>54,821,448</b>

<b>13 INVENTORIES</b>		
Particulars	As at March 31, 2015	As at March 31, 2014
Raw Material (Refer Note No.13.1)	58,262,063	74,185,979
Work-in-progress (Refer Note No.13.2)	372,436,846	356,302,005
Finished Goods	7,399,011	4,311,358
Stores & Spares & Consumable Tools	665,389	738,939
Scrap	10,832,266	4,911,047
Packing Material	620,464	49,770
	<b>450,216,039</b>	<b>440,499,098</b>

**Note No. 13.1 :**

Raw Material includes goods in transit Rs.Nil (Previous Year Rs.8,330,550/-).

**Note No. 13.2**

As per the policy of inventory valuation of the company, the Silver booked by the customer has been valued at the rate at which the same is booked by customers which is not in consonance with Accounting Standard 2, on "Inventory valuation". However the impact on the profit is not material.

**14 TRADE RECEIVABLES**

Particulars	As at March 31, 2015	As at March 31, 2014
(Unsecured, Considered Good, unless specified otherwise)		
Outstanding For a Period exceeding Six Months from the date they are due for payment		
Considered good (Refer Note 14.1)	32,408,874	15,324,163
Considered Doubtful	818,763	707,232
	33,227,637	16,031,395
Less : Allowance for Doubtful Debts	818,763	707,232
Others debts considered good	273,381,107	310,825,797
	<b>305,789,981</b>	<b>326,149,960</b>

**Note No. 14.1 :** The amounts are overdue but management is hopeful of recovery, hence no provision has been considered necessary.

**15 CASH & BANK BALANCES**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Cash &amp; Cash Equivalents</b>		
<b>Balance with Banks</b>		
In Current account	1,086,960	325,758
Cash on Hand	197,818	168,135
<b>Other Bank Balances</b>		
Unpaid Dividend account	557,478	489,714
Margin Money Deposits (Refer Note No.15.1)	16,891,481	16,087,749
	<b>18,733,737</b>	<b>17,071,356</b>

**Note No. 15.1:**

Margin Money deposits amounting to Rs. 16,891,481/- (Previous Year Rs. 16,087,749/- ) are lying with Bank towards Bank Guarantees, Forward Margin Buyers Credit and Letters of Credit.

**16 SHORT TERM LOANS & ADVANCES**

Particulars	As at March 31, 2015	As at March 31, 2014
(Unsecured, Considered Good, unless specified otherwise)		
Deposits	280,746	245,746
<b>Others</b>		
Advance recoverable in cash or kind or for value to be received	11,783,753	7,021,203
Advance Tax	5,066,149	5,066,149
Balance with Central Excise	11,047,397	6,403,909
Advances to suppliers	2,244,291	3,240,508
Loans and Advances to Employees	737,173	923,315
	<b>31,159,509</b>	<b>22,900,830</b>

**17 OTHER CURRENT ASSETS**

Particulars	As at March 31, 2015	As at March 31, 2014
Interest Receivable	2,741,597	1,699,968
Duty Drawback Receivable	1,524,059	1,476,393
Other Receivable	32,151	137,287
	<b>4,297,807</b>	<b>3,313,648</b>

**18 CONTINGENT LIABILITIES AND COMMITMENTS**
**a) CONTINGENT LIABILITIES**

Particulars	As at March 31, 2015	As at March 31, 2014
Disputed Income Tax Liabilities	12,393,245	7,112,460
Disputed Sales Tax Liabilities	733,430	-
Disputed Central Excise & Service Tax Liabilities	1,735,873	1,730,140
Bond issued under Advance Licence Scheme	-	1,524,318
Bond issued under Export Promotion Capital Goods Scheme	27,580,188	23,968,842
	<b>42,442,736</b>	<b>34,335,760</b>

**b) COMMITMENTS**

Particulars	As at March 31, 2015	As at March 31, 2014
Estimated amounts of Contracts remaining to be executed on Capital account and not provided for (Net of Advances)	29,412,368	22,412,072
	<b>29,412,368</b>	<b>22,412,072</b>

**NOTES ON ACCOUNTS**

<b>19 REVENUE FROM OPERATIONS</b>		<b>Amount in Rs.</b>	
<b>Particulars</b>	<b>Year ended March 31, 2015</b>	<b>Year ended March 31, 2014</b>	
Sale of Products (Refer Note No 19.1)	1,853,442,494	2,002,597,561	
Sale of Services (Refer Note No 19.2)	109,123	138,695	
<u>Other Operating Revenue</u>			
Profit on Hedging Contracts	2,647,405	-	
Duty Draw Back Received	3,283,754	2,079,760	
Less : Excise Duty	144,559,447	169,033,431	
	<b>1,714,923,329</b>	<b>1,835,782,585</b>	
<b>Note No 19.1 : Sale of Products</b>			
<b>Particulars</b>	<b>2014-2015</b>	<b>2013-2014</b>	
Electrical Contacts	1,758,535,598	1,884,838,401	
Others	94,906,896	117,759,160	
	<b>1,853,442,494</b>	<b>2,002,597,561</b>	
<b>Note No 19.2 : Sale of Services</b>			
Job Work	2014-2015	2013-2014	
	109,123	138,695	
	<b>109,123</b>	<b>138,695</b>	
<b>20 OTHER INCOME</b>			
<b>Particulars</b>	<b>Year ended March 31, 2015</b>	<b>Year ended March 31, 2014</b>	
Interest Income (Refer Note No 20.1)	2,383,766	1,811,750	
Profit on Sale of Fixed Assets (Net)	351,691	-	
Foreign Exchange Fluctuation (Net)	-	5,982,976	
Miscellaneous Income	474,418	4,861,179	
	<b>3,209,875</b>	<b>12,655,905</b>	
<b>Note No. 20.1 : Break-up of Interest Income</b>			
Interest income on deposits with banks	2014-2015	2013-2014	
	1,647,521	1,169,491	
Interest income on deposits with others	623,244	500,026	
Interest income from customers	113,001	142,233	
	<b>2,383,766</b>	<b>1,811,750</b>	
<b>21 COST OF MATERIAL CONSUMED</b>			
<b>Particulars</b>	<b>Year ended March 31, 2015</b>	<b>Year ended March 31, 2014</b>	
<b>RAW MATERIAL CONSUMED</b>			
Opening Stock of Raw Material	65,855,429	50,771,349	
Add : Purchases of Raw Material	1,270,002,385	1,282,912,964	
	1,335,857,814	1,333,684,313	
Less : Sale of Raw Material	-	45,466	
Less : Closing Stock of Raw Material	58,262,063	65,855,429	
<b>Cost of Materials Consumed (Refer Note No. 21.1)</b>	<b>1,277,595,751</b>	<b>1,267,783,418</b>	
<b>Note No. 21.1 : Cost of Material Consumed</b>			
Silver	2014-2015	2013-2014	
	853,865,928	838,262,269	
Tungsten Metal Powder	130,063,138	145,558,487	
Copper Chromium/Zirconium Rod/Tube	104,050,111	111,968,396	
ETP Cu Flat/Rod/Tube/Strips	56,156,584	72,444,862	
Others	133,459,990	99,549,404	
	<b>1,277,595,751</b>	<b>1,267,783,418</b>	
<b>22 PURCHASE OF STOCK IN TRADE</b>			
<b>Particulars</b>	<b>Year ended March 31, 2015</b>	<b>Year ended March 31, 2014</b>	
<u>Traded goods</u>			
Copper Chromium Zirconium Billet	10,795,497	-	
Silver Bullion	175,750	-	
	<b>10,971,247</b>	<b>-</b>	
<b>23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>			
<b>Particulars</b>	<b>Year ended March 31, 2015</b>	<b>Year ended March 31, 2014</b>	
<b>Finished Goods</b>			
Opening Stock	4,311,358	11,753,924	
Closing Stock	7,399,011	4,311,358	
	(3,087,653)	7,442,566	
<b>Work-in- Progress</b>			
Opening Stock	356,302,005	391,700,467	
Closing Stock (Refer Note No. 13.2)	372,436,846	358,302,005	
	(16,134,841)	35,398,462	
<b>Scrap</b>			
Opening Stock	4,911,047	7,054,020	
Closing Stock	10,832,266	4,911,047	
	(5,921,219)	2,142,973	
	<b>(25,143,713)</b>	<b>44,984,001</b>	
<b>24 EMPLOYEE BENEFITS EXPENSE</b>			
<b>Particulars</b>	<b>Year ended March 31, 2015</b>	<b>Year ended March 31, 2014</b>	
Salaries & Wages	88,799,614	83,917,854	
Contribution to Provident & Other Funds	4,049,981	3,438,012	
Staff Welfare Expenses	3,106,972	3,242,162	
	<b>95,956,567</b>	<b>90,598,028</b>	

**NOTES ON ACCOUNTS**
**25 FINANCE COSTS**

Particulars	Year ended	Amount in Rs.
	March 31, 2015	March 31, 2014
Interest Expense (Refer Note No 25.1)	28,090,969	22,916,354
<u>Other Borrowing Cost</u>		
Bank Finance Cost	3,309,914	2,011,626
Net Gain/Loss on Foreign currency transactions and translation (considered as finance cost)	3,337,660	4,010,661
	<b>34,738,543</b>	<b>28,938,641</b>
<b>Note No. 25.1 : Break-up of Interest Expense</b>	<b>2014-2015</b>	<b>2013-2014</b>
Interest expense on bank borrowings	27,775,332	22,636,011
Interest expense on vehicle loan from other	315,637	280,343
	<b>28,090,969</b>	<b>22,916,354</b>

**26 OTHER EXPENSES**

Particulars	Year ended	Year ended
	March 31, 2015	March 31, 2014
Consumption of Stores and Spares	15,347,045	14,256,941
Consumable Tools & Dies	17,284,409	18,974,575
Packing Expenses	3,030,939	2,644,647
Power & fuel	36,415,621	35,564,800
Processing & Labour Charges	30,083,991	18,811,855
<u>Repairs and Maintenance</u>		
Buildings	1,599,965	1,151,895
Machinery	24,468,793	16,296,133
Others	1,614,739	2,371,590
Rent	912,610	579,850
Rates and taxes	825,132	603,947
Advertisement & Sales Promotion	1,175,286	1,531,847
Bank Charges	2,051,206	2,078,005
Commission on Sales	4,357,529	7,650,102
Payment to Statutory Auditor (Refer Note No. 26.1)	544,309	480,248
Cost Audit Fees	75,000	25,000
Electricity Expenses	319,750	278,427
Royalty	1,637,191	1,747,005
Travelling and Conveyance Expenses	5,221,444	6,031,032
Legal & Professional Charges	4,989,395	3,906,853
Telephone & Telex Expenses	1,090,560	1,098,577
Vehicle Expenses	2,788,061	2,941,424
Directors' Fees	370,000	320,000
Insurance	1,314,969	1,716,910
Loss on Hedging Contracts	0	10,011,679
Loss on Sale of Fixed Assets (Net)	0	505,030
Loss on Obsolescence of Fixed Assets	73,636	-
In house R&D Expenses	1,093,426	734,829
CSR Expenditure	1,984,281	-
Donation	2,510,000	2,605,000
Bad Debts Written off	363,576	4,131,957
Less: Allowance for Doubtful Debts reversed	185,790	2,909,906
Allowance for Doubtful Debts	297,321	1,222,051
Exchange Fluctuation (Net)	5,016,452	707,232
Miscellaneous Expenses	22,620,175	-
	<b>191,291,021</b>	<b>177,196,564</b>

**Note No. 26.1 : Payment to Statutory Auditors**

<b>As Auditor</b>		
Audit Fees	225,000	225,000
Tax Audit Fees	110,000	110,000
Limited Review Fees	69,000	45,000
Service Tax *	49,935	46,968
<b>In other capacity</b>		
Company law Matters	6,000	-
Certification and Other Services	134,000	100,000
Service Tax *	17,308	12,136
	<b>611,243</b>	<b>539,104</b>

\* Out of above Service Tax credit of Rs.66,934/- (Previous Year Rs. 58,856/-) has been taken and the same has not been debited to Statement of Profit and Loss.

**27 EXCEPTIONAL ITEMS**

Particulars	Year ended	Year ended
	March 31, 2015	March 31, 2014
Surrender value received of Keymen Insurance Policy	-	7,894,531
	<b>-</b>	<b>7,894,531</b>

**28 EARNING PER SHARE**

Particulars	Year ended	Year ended
	March 31, 2015	March 31, 2014
Profit attributable to Equity Shareholders (Rs.)	46,029,360	121,847,836
No. of Equity Share outstanding during the year (Nos.)	32,450,000	32,450,000
Face Value of each Equity Share (Rs.)	1	1
Basic & Diluted earning per Share (Rs.)	1.42	3.75

**NOTES ON ACCOUNTS**
**29 EMPLOYEE BENEFITS**

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the said Accounting Standards are given below:

**A) Defined Contribution Plan**

The companies Defined Contribution Plan includes Provident Fund, Contribution to Provident Fund recognised as an expense for the year is as under :

Particulars	2014-15	2013-14
Contribution to Provident Fund	2,658,200	2,085,736

**B) Defined Benefit Plan**

The Company's Defined Benefits Plan includes Gratuity and Leave encashment. In case of funded scheme, the funds are recognised by the Income tax authorities and administered through trustees/appropriate authorities. Accordingly related disclosure are as under :

Sr.No.	Particulars	2014-15		2013-14	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
<b>I</b>	<b>Assumptions</b>				
(a)	Discount Rate	8.00%	8.00%	8.00%	8.00%
(b)	Salary Escalation	4.00%	4.00%	4.00%	4.00%
<b>II</b>	<b>Changes in present value of obligations</b>				
(a)	Present value of obligations as at the beginning of year	1,259,882	9,045,380	1,079,458	7,677,813
(b)	Interest cost	100,791	723,630	86,357	614,225
(c)	Current Service Cost	140,151	775,107	126,736	734,237
(d)	Benefits Paid	(410,087)	(492,474)	(200,009)	(459,738)
(e)	Actuarial gain on obligations	255,394	849,504	167,340	427,439
(f)	Present value of obligations as at the end of year	1,346,131	10,901,147	1,259,882	8,993,976
<b>III</b>	<b>Changes in the fair value of plan assets</b>				
(a)	Fair value of plan assets at the beginning of year	959,840	7,855,737	829,061	6,328,593
(b)	Expected return on plan assets	88,093	788,043	80,391	637,662
(c)	Contributions	287,835	1,184,748	250,397	1,349,220
(d)	Benefits paid	(410,087)	(492,474)	(200,009)	(459,738)
(e)	Actuarial gain on Plan assets	-	-	-	-
(f)	Fair value of plan assets at the end of year	925,681	9,336,054	959,840	7,855,737
<b>IV</b>	<b>Fair value of plan assets</b>				
(a)	Fair value of plan assets at the beginning of year	959,840	7,855,737	829,061	6,328,593
(b)	Actual return on plan assets	88,093	788,043	80,391	637,662
(c)	Contributions	287,835	1,184,748	250,397	1,349,220
(d)	Benefits Paid	(410,087)	(492,474)	(200,009)	(459,738)
(e)	Fair value of plan assets at the end of year	925,681	9,336,054	959,840	7,855,737
(f)	Funded status	(420,450)	(1,565,093)	(300,042)	(1,138,239)
(g)	Excess of Actual over estimated return on plan assets	-	-	-	-
	(Actual rate of return = Estimated rate of return as ARD falls on 31st March)				
<b>V</b>	<b>Actuarial Gain/Loss recognized</b>				
(a)	Actuarial gain for the year - Obligation	(255,394)	(849,504)	(167,340)	(427,439)
(b)	Actuarial gain for the year - plan assets	-	-	-	-
(c)	Total gain for the year	255,394	849,504	167,340	427,439
(d)	Actuarial gain recognized in the year	255,394	849,504	167,340	427,439
<b>VI</b>	<b>The amounts to be recognized in the balance sheet and statements of Profit and Loss</b>				
(a)	Present value of obligations as at the end of the year	1,346,131	10,901,147	1,259,882	8,993,976
(b)	Fair value of plan assets as at the end of the year	925,681	9,336,054	959,840	7,855,737
(c)	Funded status	(420,450)	(1,565,093)	(300,042)	(1,138,239)
(d)	Net (liability)/asset recognized in balance sheet	(420,450)	(1,565,093)	300,042	(1,138,239)
<b>VII</b>	<b>Expenses Recognised in statement of Profit &amp; Loss</b>				
(a)	Current Service cost	140,151	775,107	126,736	734,237
(b)	Interest Cost	100,791	723,630	86,357	614,225
(c)	Expected return on plan assets	(88,093)	(788,043)	(80,391)	(637,662)
(d)	Net Actuarial gain recognised in the year	255,394	849,504	167,340	427,439
(e)	Expenses recognised in statement of Profit & Loss Account	408,243	1,560,198	300,042	1,138,239

Note : The above information have been given based on information provided by the Life Insurance Corporation of India.

**30 SEGMENT REPORTING**

The Company's business activity falls within a single Primary segment viz. : "Manufacturing of Electrical Contacts". Since the sales outside India is more than 10% of the total sales, geographical segment is reported as the secondary segment.

Particulars	2014-15		2013 - 14	
	Within India	Outside India	Within India	Outside India
Segment Revenue	1,463,053,735	255,079,469	1,481,384,920	367,053,570
Segment Assets	1,384,533,608	92,833,118	13,464,651,319	109,085,402
Addition Fixed Assets	42,272,514	-	58,713,447	-

Notes:

(a) The segment revenue in the geographical segments considered for disclosure are as follows:-

(i) Revenue within India includes sales to customers located within India and Earnings in India.

(ii) Revenue outside India includes sales to customers located outside India and Earnings outside India.

(b) Segment Revenue, Segment Assets and Capital Expenditure include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

**NOTES ON ACCOUNTS**
**32 RELATED PARTY DISCLOSURES**

(A) Names of related parties and description of relationship:

1. Enterprises over which key management personnel and relative of such personnel have significant influence

- i) Modison (Partnership Firm)
- ii) Modison Copper Pvt. Ltd.
- iii) Modicon Pvt. Ltd.
- iv) Dishah Innovative Solutions Pvt. Ltd.
- v) Modison Engineering Pvt. Ltd.

2. Enterprises over which Company has Control:

- i) Modison Contacts Pvt Ltd (w.e.f. 05/03/2015)- Subsidiary Company

3. Key Management Personnel

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

4. Relatives of Key Management Personnel

- i) Mrs. Chandramani Devi Modi Mother of Mr. Rajkumar Modi

(B) Details of Transactions during the year with related parties at the year end.

S.No.	Related parties	Nature of Transactions during the year	2014-15	2013-14
			(Rs.)	(Rs.)
1	Mr. G.L. Modi	Remuneration Paid (including Other benefits)	11,677,801	10,126,860
		Purchase of shares of Modison Contacts Pvt Ltd	705,850	-
2	Mr. Rajkumar Modi	Remuneration Paid (including Other benefits)	4,218,816	4,778,071
		Purchase of shares of Modison Contacts Pvt Ltd	594,400	-
3	Mr. Kumar Jay Modi	Rent Paid	192,000	92,000
		Purchase of shares of Modison Contacts Pvt Ltd	185,750	-
		Salary Paid (including Other benefits)	1,760,086	2,203,057
		Rent Paid	300,000	300,000
4	Mrs. Chandramani Devi Modi	Purchase of Goods	1,105,356	583,299
5	Modicon Pvt. Ltd.	Sale of Goods	4,474,487	15,478,788
		Purchase of Goods	167,497,811	206,681,602
6	Modison Copper Pvt. Ltd.	Sale of Goods	35,302,243	32,383,970
		Purchase of Fixed assets	137,626	-
		Sale of Fixed assets	43,735	459,000
		Service Rendered	86,385	138,695
		Service Received	11,364,670	1,790,216
7	Dishah Innovative Solutions Pvt. Ltd.	Purchase of Fixed assets	430,476	-
		Sale of Goods	551	25,199
8	Modison (Partnership Firm)	Service Received	119,981	-
		Royalty (Includes service tax Rs 202,356 (Previous Year Rs 92,329)	1,839,547	1,839,334
9	Modison Engineering Pvt. Ltd.	Sale of Goods	12,699	15,140

(C) Balance at the year end.

S.No.	Related parties	Nature of Transactions	31.03.2015	31.03.2014
1.	Mr. G. L. Modi	Remuneration Payable (Including Gratuity Payable)	3,690,508	3,335,002
2.	Mr. Rajkumar Modi	Remuneration Payable (Including Gratuity Payable)	2,771,431	2,589,040
3.	Mr. Kumar Jay Modi	Remuneration Payable (Including Gratuity Payable)	603,508	526,732



**NOTES ON ACCOUNTS**
**31 Derivatives:**
**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 31.03.2015		As on 31.03.2014		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	
Amount Receivable	56,258,448	841,688	72,946,167	895,485	EUR
	-	-	917,783	9,294	GBP
	32,109,174	517,473	32,965,970	553,864	USD

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

Particulars	As on 31.03.2015		As on 31.03.2014		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	
Amount Payable	1,066,365	15,673	110,650	1,337	EUR
	37,974	409	-	-	GBP
	14,832,062	236,634	11,176,862	186,157	USD
Loan Liability	39,234,592	625,951	-	-	USD
	8,841,172	129,941	45,892,374	764,363	EURO
	-	-	16,408,000	28,000,000	JPY
Interest accrued but not due	48,758	778	46,866	781	USD
	17,104	251	-	-	EURO
	-	-	29,316	50,027	JPY

**33 VALUE OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED**

Amount in Rs.

Particulars	2014-15		2013-14	
	%	Value	%	Value
<b>Raw Material</b>				
Imported	16.33	208,615,865	15.78	200,103,886
Indigenous	83.67	1,068,979,886	84.22	1,067,679,532
	100.00	1,277,595,751	100.00	1,267,783,418
<b>Stores, Spares &amp; Components</b>				
Imported	0.60	92,198	0.28	40,428
Indigenous	99.40	15,254,847	99.72	14,216,513
	100.00	15,347,045	100.00	14,256,941

**34 VALUE OF IMPORTS ON C.I.F. BASIS**

Particulars	2014-15	2013-14
Raw Material	191,465,954	205,725,235
Capital Goods	26,250,117	24,957,789
Components and Spare Parts	6,948,214	5,663,085
<b>Total</b>	<b>224,664,285</b>	<b>236,346,110</b>

**35 EXPENDITURE IN FOREIGN CURRENCY**

Particulars	2014-15	2013-14
Foreign Travelling (out of the above Rs. 107,707/- (Previous year Rs.103,734/-) has been capitalised)	1,301,738	1,382,487
Commission	4,330,159	7,582,440
Traded Goods	10,800,373	-
Packing Material	649,286	-
Interest	994,938	1,356,601
Others	4,290,752	2,878,644
<b>Total</b>	<b>22,367,246</b>	<b>13,200,172</b>

**NOTES ON ACCOUNTS**
**36 EARNINGS IN FOREIGN CURRENCY**

Particulars	2014-15	2013-14
Exports at F.O.B. Value	248,247,645	354,093,243
Freight recovered	4,542,929	5,481,053
Insurance premium recovered	54,834	150,395
Others	-	398,879
<b>Total</b>	<b>252,845,408</b>	<b>360,123,570</b>

**37 RESEARCH AND DEVELOPMENT EXPENDITURE**

Particulars	2014-15	2013-2014
Capital Expenditure included in Fixed Assets	14,358,820	664,100
Revenue Expenditure included in Employee Benefit	2,728,043	2,416,066
Revenue Expenditure included in Other Expenses	2,280,659	1,781,923

**38 OPERATING LEASES DISCLOSURES**
**Assets Taken on Lease**

The company's major leasing arrangements are in respect of staff quarters and office premises taken on Lease and License basis. The aggregate lease rentals of Rs 912,610/- (Previous Year: 579,850/-) are charged as Rent and shown under the Note No. 26 "Other Expenses". 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.

39 Balances of Trade Receivables, Trade Payables and Loans and Advances are subject to confirmation and consequential adjustment, if any.

**40 SIGNIFICANT ACCOUNTING POLICIES**
**(A) Basis of Preparation of Financial Statement**

The Financial Statements have been prepared under the historical cost convention on an accrual basis and comply in all material aspects with the mandatory accounting standards and the relevant provisions of the Companies Act, 2013.

**(B) Use of Estimates**

The presentation and preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of revenues and expenses during the reporting year. Difference between the actual result and the estimates are recognized in the year in which the results are known / materialized.

**(C) Inventories Valuation**

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) Cash and Cash Equivalents**

Cash and Cash equivalents for the purpose of cash flow statements comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(E) Revenue Recognition**

- (i) 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.
- (ii) Income from services are recognised on completion of services.

**(F) Other Income**

- i) Interest income is recorded on a time proportion basis taking into account the amounts invested and the rate of interest.
- ii) All export benefits other than advance license benefits are accounted for on accrual basis.
- iii) Dividend income is recognised when the company's right to receive dividend is established by the reporting date.

**(G) Fixed Assets & Depreciation / Amortisation**

- i) 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.
- ii) Depreciation in respect of tangible assets i.e. Factory Building for SF6, Electric Installation for SF6 project, Factory Buildings at Plot No. 85-B and Plot Nos. 85/D & E has been provided on straight line method (SLM) and in respect of all other tangible assets on written down method (WDV) as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation in respect of the following tangible assets, whose life of the assets has been assessed by the management as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc. is charged as under:

Assets	Rates
Plant & Machinery AG	13.91% on WDV Basis
Plant & Machinery SF6	4.75% on SLM Basis
R&D Plant & Machinery	4.75% on SLM Basis

- iii) No amortisation is provided in accounts in respect of Leasehold Land
- iv) Depreciation for the year on the assets revalued in the earlier years has been calculated on their respective revalued figures as per the useful life prescribed in Schedule II to the Companies Act, 2013.
- v) 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.

**(H) Foreign Currency Transaction**

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 Statement of Profit & Loss except in case of transactions covered by forward exchange contracts where exchange difference is recognized over the life of the contract.

**(I) 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. Current investment are carried individually, at the lower of cost and fair market price.

**(J) Employee Benefit**

- i) Short Term Employee benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Contribution payable to the recognised Provident Fund which is Defined Contribution Scheme is charged to Statement of Profit and Loss.
- iii) 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 Statement of Profit and Loss.
- iv) 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.

**(K) Segment Report**

- (i) The company identifies primary segment based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.
- (ii) The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

**(L) Borrowing Cost**

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale as per Accounting Standard 16 "Borrowing Cost". All other borrowing costs are charged to revenue.

**(M) Earning Per Share**

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares except where the results would be anti-dilutive. The numbers of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential equity shares.

**(N) Taxation**

(i) Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income-tax Act, 1961.

(ii) 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.

**(O) Lease**

(i) Lease rentals in respect of assets acquired under operating leases are charged off to the Statement of Profit and Loss.

(ii) Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

(iii) Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc., are recognised immediately in the statement of profit and loss.

**P) Research and Development Expenses**

Revenue expenditure pertaining to research is charged to Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development and depreciated in accordance with the policies stated for Fixed Assets.

**(Q) 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 or the recoverable amount of the cash generating unit to which the assets belongs 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 statement of profit and loss. If at the balance sheet date there is an indication that if 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.

**(R) Provision & Contingent Liability**

The Company creates a provision when 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. A disclosure for 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.

**(S) Operating Cycle**

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

41 The previous year figures have been regrouped/reclassified, wherever necessary to confirm to the current presentation as per the schedule III.

As per our report of attached even date.

**FOR M. L. BHUWANIA & CO.**

**CHARTERED ACCOUNTANTS**

Firm Registration Number: 101484W

**J.P. BAIRAGRA**

**PARTNER**

**MEMBERSHIP NO. 12839**

**PLACE : MUMBAI**

**DATED : 27TH MAY, 2015**

**FOR AND ON BEHALF OF THE BOARD**

**G.L. MODI**

**MANAGING DIRECTOR**

**SURESH MODY**

**DIRECTOR**

**RAMESH KOTHARI**

**CHIEF FINANCIAL OFFICER**

**DEEPASHREE DADKAR**

**COMPANY SECRETARY**

**PLACE : MUMBAI**

**DATED : 27TH MAY, 2015**



**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF MODISON METALS LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **MODISON METALS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its Subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial control system over financial reporting in place and effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31<sup>st</sup> March, 2015 and its profit and its cash flows for the year ended on that date.

**Emphasis of Matter**

- (a) We draw attention to Note No. 12.1 of the Financial Statement which states that as per the policy of inventory valuation of the company, the Silver booked by the customer has been valued at the rate at which the same is booked by customers which is not in consonance with Accounting Standard 2, on "Inventory valuation". However the impact on the profit is not material. Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as appears from our examination of those books and the reports of other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial statements.
- d. In our opinion, the aforesaid consolidated financial statements materially comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors of the Holding Company and its Subsidiary, none of the directors of the Group Companies is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements has disclosed the impact of pending litigations on the consolidated financial of the Group— Refer Note No. 17(a) to the financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Subsidiary company.

For and on behalf of  
M. L. BHUWANIA & CO.  
Chartered Accountants  
Firm Registration No. 101484W

J.P. Bairagra  
Partner  
Membership No. 12839

Place: Mumbai  
Date: 27<sup>th</sup> May, 2015

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Consolidated Financial Statements

**Annexure to the independent auditor's report on the consolidated financial statements referred to in paragraph titled as "Report on other Legal and Regulatory Requirements" to the members of Modison Metal Limited for the year ended 31st March 2015.**

**"Our reporting on the order includes Subsidiary company to which the order is applicable to the extent considered applicable for reporting under the order in case of the consolidated financial statements."**

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 Holding company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Holding Company are physically verified by the Management of the Holding company 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 Holding Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management of the Holding company during the year and discrepancies noticed between the book records and the physical inventories were not material and have been properly dealt with in the accounts.
- (ii) (a) During the year, the inventories have been physically verified by the management of the Holding company. 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 of the Holding company are reasonable and adequate in relation to the size of the Holding 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 Holding 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.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Holding 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 continuing failure to correct major weakness in such internal controls system has been observed.

- (vi) The Central Government has prescribed maintenance of cost records for the Holding company under sub section (1) of section 148 of the Companies Act, 2013 and such accounts have been made and maintained by the Holding company. However, no detailed examinations of such records and accounts have been carried out by us.
- (vii) a) The respective entities are generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth 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 as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) There was no undisputed amounts payable by respective entities in respect of Wealth Tax, Service Tax, Customs Duty and Cess, which have not been deposited on account of any dispute.

The disputed amounts of the Holding company that have not been deposited in respect of Sales Tax, Income Tax and Excise Duty are as under:

Sr.No.	Name of the Statute	Nature of the Dues	Amount (Rs.)	Financial Year to which the amount relates	Forum where dispute is pending
1.	Gujarat Valued Added Tax Act, 2003	Pending Forms	733,430	2010-2011	Joint Commissioner of Commercial Tax (Appeals)
2.	Income Tax Act, 1961	Income Tax Dues	10,523,428	2008-2009 and 2010-2011	Commissioner of Income Tax (Appeals)
3.	Central Excise Act, 1944	Excise duty Dues	208,293	2006-2007 to 2009-2010	Honourable CESTAT
		Service Tax Dues	1,527,580	2006-2007 to 2010-2011	Commissioner of Central Excise (Appeals)

- (c) The Holding Company is regular in transferring amounts to the Investor Education and Protection Fund in accordance with the provision of the Companies Act, 1956 and rules made there under within time.
- (viii) The Group does not have accumulated losses at the end of the financial year. The Group have not incurred cash losses on consolidated basis during the current financial year covered by the audit. This being the first year of Consolidation the question of loss in the immediately preceding financial year does not arise.



- (ix) In our opinion and according to the information and explanation given to us, the Holding Company has not defaulted in repayment of dues to banks during the year. The Holding Company has not taken any loans from financial institutions and has not issued debentures during the year.
- (xi) On the basis of our examination of the documents and records of Holding company 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.
- (xii) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on the Holding company, its Subsidiary company or by the Holding company, its Subsidiary Company has been noticed or reported during the year.
- (xiii) The clause no. (i), (ii), (iii), (iv), (v), (vi), (vii) (c), (ix), (x), (xi) of the Order are not applicable to Subsidiary and clause (iii), (v), (x) is not applicable to the Holding company.

For and on behalf of  
M. L. BHUWANIA & CO.  
Chartered Accountants  
Firm Registration No. 101484W

J.P. Bairagra  
Partner  
Membership No. 12839

Place: Mumbai  
Date: 27<sup>th</sup> May, 2015



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015**

Particulars	Note No.	As at 31st Mar 2015 Rupees
<b>I EQUITY AND LIABILITIES</b>		
(1) Shareholder's funds		
(a) Share Capital	1	32,450,000
(b) Reserves & Surplus	2	941,112,189
(2) Minority Interest		980,586
(3) Non-current liabilities		
(a) Long - term borrowings	3	1,775,378
(b) Deferred tax liabilities (Net)	4	81,525,516
(c) Long - term provisions	5	6,301,730
(4) Current liabilities		
(a) Short - term borrowings	6	259,204,539
(b) Trade payables	7	37,884,942
(c) Other current liabilities	8	81,871,841
(d) Short - term provisions	9	32,521,604
<b>TOTAL</b>		<b>1,475,628,325</b>
<b>II ASSETS</b>		
(1) Non - current assets		
(a) Fixed assets	10	
(i) Tangible assets		570,408,342
(ii) Intangible assets		3,688,781
(iii) Capital work - in - progress		15,953,167
(b) Goodwill on Consolidation	36	20,100
(c) Long - term loans and advances	11	73,213,038
(2) Current assets		
(a) Inventories	12	450,216,039
(b) Trade receivables	13	305,789,981
(c) Cash and bank balances	14	20,847,213
(d) Short - term loans and advances	15	31,193,857
(e) Other current assets	16	4,297,807
<b>TOTAL</b>		<b>1,475,628,325</b>
Contingent Liabilities and commitments	17	
<b>NOTES ON ACCOUNTS</b>	<b>1 to 37</b>	

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

As per our report of attached even date.

**FOR M. L. BHUWANIA & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration Number: 101484W

**FOR AND ON BEHALF OF THE BOARD**

**G.L. MODI**  
MANAGING DIRECTOR

**SURESH MODY**  
DIRECTOR

**J.P. BAIRAGRA**  
PARTNER  
MEMBERSHIP NO. 12839

**RAMESH KOTHARI**  
CHIEF FINANCIAL OFFICER

**DEEPASHREE DADKAR**  
COMPANY SECRETARY

PLACE : MUMBAI  
DATED : 27TH MAY, 2015

PLACE : MUMBAI  
DATED : 27TH MAY, 2015

Consolidated Financial Statements

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars	Note No.	For the year ended 31st March, 2015
		<b>Rupees</b>
<b><u>INCOME:</u></b>		
Revenue from operations	18	1,714,923,329
Other income	19	3,209,838
<b>Total Revenue</b>		<b>1,718,133,167</b>
<b><u>EXPENSES:</u></b>		
Cost of material consumed	20	1,277,595,751
Purchase of Stock in Trade	21	10,971,247
Changes in inventories of finished goods and work - in -progress	22	(25,143,713)
Employee benefits expense	23	95,956,567
Finance costs	24	34,738,543
Depreciation & amortization expense	10	66,269,907
Other Expenses	25	191,292,251
<b>Total Expenses</b>		<b>1,651,680,553</b>
Profit before exceptional and extraordinary items & tax		66,452,614
Exceptional Items		-
Profit before extraordinary items and tax		66,452,614
Extraordinary Items		-
Profit before tax		66,452,614
Tax expense:		
(1) Current tax		
of Current year		21,750,000
of Earlier years		36,392
(2) Deferred tax		(1,361,871)
		<b>46,028,093</b>
Less: Share of loss attributable to Minority Interest		(507)
Profit for the year		<b>46,028,600</b>
Earning per equity share:	26	
(1) Basic		1.42
(2) Diluted		1.42
(3) Face Value per share		1.00

**NOTES ON ACCOUNTS**
**1 to 37**

The notes referred above form an integral part of the Statement of Profit and Loss.

As per our report of attached even date.

**FOR M. L. BHUWANJA & CO.**
**CHARTERED ACCOUNTANTS**

Firm Registration Number: 101484W

**FOR AND ON BEHALF OF THE BOARD**
**G.L. MODI**  
**MANAGING DIRECTOR**
**SURESH MODY**  
**DIRECTOR**
**RAMESH KOTHARI**  
**CHIEF FINANCIAL OFFICER**
**DEEPASHREE DADKAR**  
**COMPANY SECRETARY**
**J.P. BAIRAGRA**  
**PARTNER**  
**MEMBERSHIP NO. 12839**
**PLACE : MUMBAI**  
**DATED : 27TH MAY, 2015**
**PLACE : MUMBAI**  
**DATED : 27TH MAY, 2015**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**
**2014-15  
RUPEES**

<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & Extraordinary Items		66,452,614
Adjustment for:		
Depreciation /Amortisation	66,269,907	
Interest income	(2,270,765)	
Interest expense	28,090,969	
(Profit)/Loss on Sale of Assets/Obsolescence of Fixed Assets (Net)	(278,055)	
Sundry Balances written off/(back) (net)	(140,874)	
Unrealised Exchange Rate Fluctuation (Net)	4,092,056	95,763,238
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>162,215,852</b>
<b>ADJUSTMENTS FOR WORKING CAPITAL CHANGES :</b>		
Trade Receivables	15,551,747	
Inventories	(9,716,941)	
Long - term loans and advances	(178,552)	
Short - term loans and advances	(9,314,890)	
Other current assets	(1,208)	
Short - term provisions	740,102	
Other current liabilities	(13,665,504)	
Trade payables	8,535,243	
Long - term provisions	583,845	(7,466,158)
Cash Generated from Operations		154,749,694
Direct Taxes paid		(27,612,832)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>127,136,862</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including advances for capital goods	(64,691,115)	
Acquisition of Subsidiary	(1,491,740)	
Sale of Fixed Assets	1,135,396	
Interest Received	1,229,136	(63,818,323)
<b>NET CASH USED IN INVESTING ACTIVITY</b>		<b>(63,818,323)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short -Term Borrowings (Net)	36,435,388	
Repayment of Long -Term Borrowings	(23,501,034)	
Interest Paid	(28,005,978)	
Dividend Paid (Inclusive of Dividend Distribution Tax)	(47,456,097)	(62,527,721)
<b>NET CASH USED IN FINANCING ACTIVITY</b>		<b>(62,527,721)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS(A+B+C)</b>		<b>790,818</b>
<b>OPENING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>		<b>493,893</b>
<b>CASH AND BANK BALANCES ON ACQUISITION OF SUBSIDIARY DURING THE YEAR</b>		<b>2,113,543</b>
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>		<b>3,398,254</b>

**Notes**
**Closing Balance of Cash & Cash Equivalents (Refer Note No 14)**
**1 Cash and Cash Equivalents Includes:**
**BALANCE WITH SCHEDULED BANKS**

In Current Account

3,198,821

CASH ON HAND

199,433

**3,398,254**
**2 Interest received excludes interest received for overdue payments from customers of Rs 113,001/-, which has been considered from operational activities of the company.**

As per our report of attached even date.

**FOR M. L. BHUWANIA & CO.**
**CHARTERED ACCOUNTANTS**

Firm Registration Number: 101484W

**FOR AND ON BEHALF OF THE BOARD**
**G.L. MODI  
MANAGING DIRECTOR**
**SURESH MODY  
DIRECTOR**
**RAMESH KOTHARI  
CHIEF FINANCIAL OFFICER**
**DEEPASHREE DADKAR  
COMPANY SECRETARY**
**J.P. BAIRAGRA  
PARTNER  
MEMBERSHIP NO. 12839**
**PLACE : MUMBAI  
DATED : 27TH MAY, 2015**
**PLACE : MUMBAI  
DATED : 27TH MAY, 2015**

**CONSOLIDATED NOTES ON ACCOUNTS**

<b>1 SHARE CAPITAL</b>		<b>Amount in Rs</b>
<b>Particulars</b>	<b>As at</b>	<b>March 31, 2015</b>
<b>Authorized Share Capital</b>		
32,500,000 Equity shares, Re. 1/- par value		32,500,000
		<u>32,500,000</u>
<b>Issued, Subscribed and Fully Paid Up Shares</b>		
32,450,000 Equity shares, Re. 1/- par value		32,450,000
		<u>32,450,000</u>

**Note No 1.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2015 :**

<b>Particulars</b>	<b>As at 31st March 2015</b>	
	<b>Number of Shares</b>	<b>Amount in Rs</b>
Number of shares at the beginning	32,450,000	32,450,000
Add: Shares issued during the year	-	-
Less : Shares bought back	-	-
<b>Number of shares at the end</b>	<b>32,450,000</b>	<b>32,450,000</b>

**Note No 1.2: Terms/rights attached to equity shares**

(A) The company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(B) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Note No 1.3: The details of shareholders holding more than 5% shares in the company :**

<b>Name of the shareholders</b>	<b>No. of shares held</b>	<b>% held as at March 31, 2015</b>
Mr. G.L. Modi	7,158,370	22.06%
Mr. Rajkumar Modi	6,701,210	20.65%
Mr. Prakashchandra Modi	4,660,488	14.36%
Mr. Kumar Jay Modi	1,774,000	5.47%

**2 RESERVES & SURPLUS**

<b>Particulars</b>	<b>As at</b>	<b>March 31, 2015</b>
<b>Capital Reserve</b>		
At the beginning and at the end of the year		19,087,980
<b>Revaluation Reserve</b>		
Opening Balance		3,628,690
Less : Transfer to General reserve on sale of assets		964
<b>Closing Balance</b>		<u>3,627,726</u>
<b>General Reserve</b>		
Opening Balance		113,053,763
Add: Transferred from revaluation reserve on sale of assets		964
Less: Adjustment of carrying amount (Net of Deferred Tax) as per Schedule II of Companies Act 2013 (Refer Note No 10.3)		
Less: Carrying Amount (Net of residual value)	2,397,569	
Less: Adjustment of Deferred Tax	814,932	1,582,637
<b>Closing Balance</b>		<u>111,472,090</u>
<b>Surplus</b>		
Opening Balance		790,187,824
Add: Transferred from Statement of Profit and Loss		46,028,600
<b>Amount available for appropriation</b>		<u>836,216,424</u>
<b>Less : Appropriations</b>		
Proposed Dividend		24,337,500
Dividend Tax on Proposed Dividend		4,954,531
Amount transferred to General Reserve		-
<b>Closing Balance</b>		<u>806,924,393</u>
<b>Total of Reserves &amp; Surplus</b>		<u>941,112,189</u>

**Consolidated Financial Statements**

**CONSOLIDATED NOTES ON ACCOUNTS**

<b>3 LONG-TERM BORROWINGS</b>	<b>Amount in Rs</b>
<b>Particulars</b>	<b>As at March 31, 2015</b>
<b>Secured Loan</b>	
<b>Term Loans</b>	
<b>From Bank</b>	
Vehicle Loans (Refer Note No 3.1)	767,544
<b>From Others</b>	
Vehicle Loans (Refer Note No 3.2)	1,007,834
	<b>1,775,378</b>

**Note No 3: Terms of Repayment, Nature of Securities in respect of Term Loans**

(3.1) Vehicle loan taken from ICICI Bank Limited carried interest @10.49% and is repayable in 36 monthly installment. The loan is secured by hypothecation of Vehicle.

(3.2) Vehicle loan taken from BMW Financial Services carried interest @ 9% and is repayable in 36 monthly installment. The loan is secured by hypothecation of Vehicle.

<b>4 DEFERRED TAX LIABILITIES (NET)</b>	<b>As at March 31, 2015</b>
<b>Particulars</b>	
<b>Deferred tax liabilities</b>	
On account of difference between depreciation as per books and as per Income- tax Act, 1961	84,280,761
	<b>84,280,761</b>
<b>Less: Deferred tax assets</b>	
On account of expenses allowable on payment basis	2,484,538
On account of allowance for bad & doubtful debts	270,707
	<b>2,755,245</b>
<b>Net Deferred Tax Liabilities</b>	<b>81,525,516</b>

<b>5 LONG-TERM PROVISIONS</b>	<b>As at March 31, 2015</b>
<b>Particulars</b>	
<b>Provisions for Employee Benefits</b>	
Provision for Gratuity	6,301,730
	<b>6,301,730</b>

<b>6 SHORT-TERM BORROWINGS</b>	<b>As at March 31, 2015</b>
<b>Particulars</b>	
<b>Secured Loans</b>	
<b>Other loans &amp; advances</b> (Refer Note No 6.1)	
<b>From Bank-Working Capital Loan</b>	
Foreign Currency Loan	36,932,950
Rupee Loan	211,128,770
<b>Other loans from Bank</b>	
Foreign Currency Loan (Refer Note No. 6.1)	11,142,819
	<b>259,204,539</b>

**Note No. 6.1:**

Secured by Hypothecation of stocks & book debts and further secured by collateral security of all movable and immovable factory properties & Mumbai office.

<b>7 TRADE PAYABLES</b>	<b>As at March 31, 2015</b>
<b>Particulars</b>	
Sundry Creditors For Goods (Refer Note No. 7.1)	13,174,900
Sundry Creditors For Expenses (Refer Note No. 7.1 & 7.2)	24,710,042
	<b>37,884,942</b>

**Note No. 7.1:**

The Company has not received any information from Vendors regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosures relating to amounts unpaid as at the end of reporting period together with interest paid/payable under this Act have not been given.

**Note No. 7.2:**

Professional Fee of Rs. 390,000/- provided during the year for Mr. B.B. Singh, Additional Director of the Company. The same was not paid pending approval of the Annual General Meeting.

**Consolidated Financial Statements**



**CONSOLIDATED NOTES ON ACCOUNTS**

<b>8 OTHER CURRENT LIABILITIES</b>		<b>Amount in Rs</b>
<b>Particulars</b>	<b>As at</b>	<b>March 31, 2015</b>
Current Maturities of Long Term Debt (Refer Note No. 3.1 & 3.2)		7,009,107
Interest Accrued but not due on borrowings		321,644
Unpaid Dividend		557,478
<u>Other payables</u>		
Sundry Creditors for Capital Goods		1,559,999
Advances From Customers		67,989,113
Statutory Dues Payable		4,394,500
Others		40,000
		<b>81,871,841</b>

<b>9 SHORT - TERM PROVISIONS</b>		<b>As at</b>
<b>Particulars</b>	<b>March 31, 2015</b>	
<u>Provision for Employee Benefits</u>		
Provision for Gratuity		1,588,066
Provision for Leave Salary		1,513,507
<u>Others</u>		
Provision For Taxation		128,000
Proposed Dividend (Refer Note No. 9.1)		24,337,500
Dividend Distribution Tax (Refer Note No. 9.1)		4,954,531
		<b>32,521,604</b>

**Note No. 9.1:** The amount of dividend per share of Re. 0.75 has been proposed to be distributed to equity shareholders for the year ended 31/03/2015. The total amount of dividend shall be Rs.2,92,92,031/- including dividend distribution tax Rs. 49,54,531/-.

<b>11 LONG - TERM LOANS AND ADVANCES</b>		<b>As at</b>
<b>Particulars</b>	<b>March 31, 2015</b>	
(Unsecured, Considered Good, unless specified otherwise)		
Capital Advances		47,892,715
Deposits		7,987,198
<u>Other Loans &amp; Advances</u>		
Advance recoverable in cash or kind or for value to be received		238,968
MAT Credit Entitlement		333,561
Advance Tax (Net of Provision for Taxation)		16,474,096
Loans and Advances to Employees		286,500
		<b>73,213,038</b>

<b>12 INVENTORIES</b>		<b>As at</b>
<b>Particulars</b>	<b>March 31, 2015</b>	
Raw Material		58,262,063
Work-in-progress (Refer Note No.12.1)		372,436,846
Finished Goods		7,399,011
Stores & Spares & Consumable Tools		665,389
Scrap		10,832,266
Packing Material		620,464
		<b>450,216,039</b>

**Note No. 12.1 :**

As per the policy of inventory valuation of the company, the Silver booked by the customer has been valued at the rate at which the same is booked by customers which is not in consonance with Accounting Standard 2, on "Inventory valuation". However the impact on the profit is not material.

**Consolidated Financial Statements**

**CONSOLIDATED NOTES ON ACCOUNTS**
**10 FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION & AMORTISATION			Amount in Rs.			
	AS ON 01.04.2014	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR (Refer Note No 10.2)	AS AT 31.03.2015	AS ON 01.04.2014	FOR THE YEAR	DEDUCTION DURING THE YEAR (Refer Note No 10.2 & 10.3)	AS AT 31.03.2015	NET BLOCK	
<b>TANGIBLE ASSETS :</b> Leasehold Land Building (Note No. 10.1) Building (SF6 , Plot No. 85 Band Plot No. 85 D&E) Plant & Machinery Plant & Machinery (SF6) Furniture & Fixture Vehicles Office Equipment	9,446,414	-	-	9,446,414	-	3,342,296	-	-	9,446,414	
	87,213,213	-	-	87,213,213	29,906,007	-	-	33,248,303	53,964,910	
	67,441,877	-	-	67,441,877	19,590,514	2,198,624	-	21,789,138	45,652,739	
	471,708,260	22,520,100	62,833	494,165,527	237,477,904	34,357,158	51,782	271,783,280	222,382,247	
	349,994,075	15,813,477	581,329	365,226,223	125,378,316	16,214,079	(977,520)	142,569,915	222,656,308	
	11,084,342	640,038	-	11,724,380	7,542,055	1,112,326	(29,993)	8,684,374	3,040,006	
	28,574,056	1,682,812	4,087,099	26,169,769	14,414,142	4,563,635	3,356,966	15,620,811	10,548,966	
	23,855,870	1,616,087	12,235,656	13,236,301	19,152,997	2,677,304	11,310,760	10,519,541	2,716,760	
	<b>TOTAL TANGIBLE ASSETS</b>	1,049,318,107	42,272,514	16,966,917	1,074,623,704	453,461,935	64,465,422	13,711,995	504,215,362	570,408,342
<b>INTANGIBLE ASSETS :</b> Computer Software Technical Know How										
	9,022,421	-	-	9,022,421	3,529,155	1,804,485	-	5,333,640	3,688,781	
	808,687	-	-	808,687	808,687	-	-	808,687	-	
<b>TOTAL INTANGIBLE ASSETS</b>	9,831,108	-	-	9,831,108	4,337,842	1,804,485	-	6,142,327	3,688,781	
<b>TOTAL TANGIBLE &amp; INTANGIBLE ASSETS</b>	1,059,149,215	42,272,514	16,966,917	1,084,454,812	457,799,777	66,269,907	13,711,995	510,357,689	574,097,123	
<b>C WIP - TANGIBLE</b>	-	-	-	-	-	-	-	-	15,953,167	

**Note No. 10.1: Buildings**

Building includes Rs.500 being the face value of investment in shares of Co-operative Premises Society

**Note No 10.2: Obsolescence of Fixed Assets**

Deduction/Adjustment includes Obsolescence of Fixed Assets done during the Year.

**Note No 10.3:**

Pursuant to Schedule II Companies Act, 2013 (the Act) being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets except Plant & Machinery AG, Plant & Machinery SF6 and R&D Plant & Machinery as per useful life specified in Part C of Schedule II of the Act, and due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current year ending 31st March, 2015 and in each period during the remaining useful life of the assets.

Accordingly, the Company has re-worked depreciation with reference to the estimated economic lives of Fixed Assets prescribed by Schedule II of the Act during the year ended 31st March, 2015. In case of any asset whose life is completed as at 1st April 2014, the carrying amount (Net of residual value) of Rs. 1,582,637 has been adjusted to the Retained Earnings (Net of deferred tax of Rs. 814,932) and in other cases the carrying amount has been depreciated over the remaining of the revised life of the assets.

**CONSOLIDATED NOTES ON ACCOUNTS**

<b>13 TRADE RECEIVABLES</b>		<b>Amount in Rs</b>
<b>Particulars</b>		<b>As at March 31, 2015</b>
(Unsecured, Considered Good, unless specified otherwise)		
Outstanding For a Period exceeding Six Months from the date they are due for payment		
Considered good (Refer Note 13.1)	32,408,874	
Considered Doubtful	818,763	
	33,227,637	
Less : Allowance for Doubtful Debts	818,763	32,408,874
Others debts considered good		273,381,107
		<b>305,789,981</b>

**Note No. 13.1 :** The amounts are overdue but management is hopeful of recovery, hence no provision has been considered necessary.

<b>14 CASH &amp; BANK BALANCES</b>		<b>As at March 31, 2015</b>
<b>Particulars</b>		
<b>Cash &amp; Cash Equivalents</b>		
<u>Balance with Banks</u>		
In Current account		3,198,821
Cash on Hand		199,433
<u>Other Bank Balances</u>		
Unpaid Dividend account		557,478
Margin Money Deposits (Refer Note No.14.1)		16,891,481
		<b>20,847,213</b>

**Note No. 14.1:**

Margin Money deposits amounting to Rs. 16,891,481/- are lying with Bank towards Bank Guarantees, Forward Margin, Buyers Credit and Letters of Credit.

<b>15 SHORT TERM LOANS &amp; ADVANCES</b>		<b>As at March 31, 2015</b>
<b>Particulars</b>		
(Unsecured, Considered Good, unless specified otherwise)		
Deposits		280,746
<u>Others</u>		
Advance recoverable in cash or kind or for value to be received		11,783,753
Advance Tax		5,100,497
Balance with Central Excise		11,047,397
Advances to suppliers		2,244,291
Loans and Advances to Employees		737,173
		<b>31,193,857</b>

<b>16 OTHER CURRENT ASSETS</b>		<b>As at March 31, 2015</b>
<b>Particulars</b>		
Interest Receivable		2,741,597
Duty Drawback Receivable		1,524,059
Other Receivable		32,151
		<b>4,297,807</b>

**17 CONTINGENT LIABILITIES AND COMMITMENTS**
**a) CONTINGENT LIABILITIES**

<b>Particulars</b>	<b>As at March 31, 2015</b>
Disputed Income Tax Liabilities	12,393,245
Disputed Sales Tax Liabilities	733,430
Disputed Central Excise & Service Tax Liabilities	1,735,873
Bond issued under Export Promotion Capital Goods Scheme	27,580,188
	<b>42,442,736</b>

**b) COMMITMENTS**

<b>Particulars</b>	<b>As at March 31, 2015</b>
Estimated amounts of Contracts remaining to be executed on Capital account and not provided for (Net of Advances)	29,412,368
	<b>29,412,368</b>

**Consolidated Financial Statements**

**CONSOLIDATED NOTES ON ACCOUNTS**
**18 REVENUE FROM OPERATIONS**

Amount in Rs	
Particulars	Year ended
	March 31, 2015
Sale of Products (Refer Note No 18.1)	1,853,442,494
Sale of Services (Refer Note No 18.2)	109,123
<u>Other Operating Revenue</u>	
Profit on Hedging Contracts	2,647,405
Duty Draw Back Received	3,283,754
Less : Excise Duty	144,559,447
	<b>1,714,923,329</b>

**Note No 18.1 : Sale of Products**

Particulars	2014-2015
Electrical Contacts	1,758,535,598
Others	94,906,896
	<b>1,853,442,494</b>

**Note No 18.2 : Sale of Services**

	2014-2015
Job Work	109,123
	<b>109,123</b>

**19 OTHER INCOME**

Particulars	Year ended
	March 31, 2015
Interest Income (Refer Note No 19.1)	2,383,766
Profit on Sale of Fixed Assets (Net)	351,691
Miscellaneous Income	474,380
	<b>3,209,837</b>

**Note No. 19.1 : Break-up of Interest income**

	2014-2015
Interest income on deposits with banks	1,647,521
Interest income on deposits with others	623,244
Interest income from customers	113,001
	<b>2,383,766</b>

**20 COST OF MATERIAL CONSUMED**

Particulars	Year ended
	March 31, 2015
<b>RAW MATERIAL CONSUMED</b>	
Opening Stock of Raw Material	65,855,429
Add : Purchases of Raw Material	1,270,002,385
	1,335,857,814
Less : Closing Stock of Raw Material	58,262,063
<b>Cost of Materials Consumed (Refer Note No. 20.1)</b>	<b>1,277,595,751</b>

**Note No. 20.1 : Cost of Material Consumed**

	2014-2015
Silver	853,865,928
Tungsten Metal Powder	130,063,138
Copper Chromium/Zirconium Rod/Tube	104,050,111
ETP Cu Flat/Rod/Tube/Strips	56,156,584
Others	133,459,990
	<b>1,277,595,751</b>

**Consolidated Financial Statements**

<b>21 PURCHASE OF STOCK IN TRADE</b>		Amount in Rs
Particulars		Year ended March 31, 2015
<u>Traded goods</u>		
Copper Chromium Zirconium Billet		10,795,497
Silver Bullion		175,750
		<b>10,971,247</b>
<b>22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
Particulars		Year ended March 31, 2015
<b>Finished Goods</b>		
Opening Stock	4,311,358	
Closing Stock	7,399,011	(3,087,653)
<b>Work-in- Progress</b>		
Opening Stock	356,302,005	
Closing Stock (Refer Note No. 12.1)	372,436,846	(16,134,841)
<b>Scrap</b>		
Opening Stock	4,911,047	
Closing Stock	10,832,266	(5,921,219)
		<b>(25,143,713)</b>
<b>23 EMPLOYEE BENEFITS EXPENSE</b>		
Particulars		Year ended March 31, 2015
Salaries & Wages		88,799,614
Contribution to Provident & Other Funds		4,049,981
Staff Welfare Expenses		3,106,972
		<b>95,956,567</b>
<b>24 FINANCE COSTS</b>		
Particulars		Year ended March 31, 2015
Interest Expense (Refer Note No 24.1)		28,090,969
<u>Other Borrowing Cost</u>		
Bank Finance Cost		3,309,914
Net Gain/Loss on Foreign currency transactions and translation (considered as finance cost)		3,337,660
		<b>34,738,543</b>
<b>Note No. 24.1 : Break-up of Interest Expense</b>		<b>2014-2015</b>
Interest expense on bank borrowings		27,775,332
Interest expense on vehicle loan from other		315,637
		<b>28,090,969</b>

Consolidated Financial Statements



<b>25 OTHER EXPENSES</b>		<b>Amount in Rs.</b>
<b>Particulars</b>		<b>Year ended</b>
		<b>March 31, 2015</b>
Consumption of Stores and Spares		15,347,045
Consumable Tools & Dies		17,284,409
Packing Expenses		3,030,939
Power & fuel		36,415,621
Processing & Labour Charges		30,083,991
<u>Repairs and Maintenance</u>		
Buildings		1,599,965
Machinery		24,468,793
Others		1,614,739
Rent		912,610
Rates and taxes		825,132
Advertisement & Sales Promotion		1,175,286
Bank Charges		2,051,206
Commission on Sales		4,357,529
Payment to Statutory Auditor (Refer Note No. 25.1)		545,472
Cost Audit Fees		75,000
Electricity Expenses		319,750
Royalty		1,637,191
Travelling and Conveyance Expenses		5,221,444
Legal & Professional Charges		4,989,395
Telephone & Telex Expenses		1,090,560
Vehicle Expenses		2,788,061
Directors' Fees		370,000
Insurance		1,314,969
Loss on Obsolescence of Fixed Assets		73,636
In house R&D Expenses		1,093,426
CSR Expenditure		1,984,281
Donation		2,510,000
Bad Debts Written off	363,576	
Less: Allowance for Doubtful Debts reversed	185,790	177,786
Allowance for Doubtful Debts		297,321
Exchange Fluctuation (Net)		5,016,452
Miscellaneous Expenses		22,620,242
		<b>191,292,251</b>

**Note No. 25.1 : Payment to Statutory Auditors**
**As Auditor**

Audit Fees	226,035
Tax Audit Fees	110,000
Limited Review Fees	69,000
Service Tax *	50,063

**In other capacity**

Company law Matters	6,000
Certification and Other Services	134,000
Service Tax *	17,308

**612,406**

\* Out of above Service Tax credit of Rs.66,934/- has been taken and the same has not been debited to Statement of Profit and Loss.

**26 EARNING PER SHARE**

<b>Particulars</b>	<b>Year ended</b>
	<b>March 31, 2015</b>
Profit attributable to Equity Shareholders (Rs.)	46,028,599
No. of Equity Share outstanding during the year (Nos.)	32,450,000
Face Value of each Equity Share (Rs.)	1
Basic & Diluted earning per Share (Rs.)	1.42

**Consolidated Financial Statements**

**CONSOLIDATED NOTES ON ACCOUNTS**

27 The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard (AS 21) on Consolidated Financial Statements. The details of subsidiaries consolidated are as under:-

Name of Subsidiary: Modison Contacts Private Limited  
Country of Incorporation: India  
Extent of holding : 60%

**28 EMPLOYEE BENEFITS**

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the said Accounting Standards are given below:

**A) Defined Contribution Plan**

The companies Defined Contribution Plan includes Provident Fund. Contribution to Provident Fund recognised as an expense for the year is as under :

Particulars	2014-15
Contribution to Provident Fund	2,658,200

**B) Defined Benefit Plan**

The Company's Defined Benefits Plan includes Gratuity and Leave encashment. In case of funded scheme, the funds are recognised by the Income tax authorities and administered through trustees/appropriate authorities, Accordingly related disclosure are as under :

Sr.No.	Particulars	2014-15	
		Leave Encashment	Gratuity
		Rs.	Rs.
<b>I Assumptions</b>			
(a) Discount Rate		8.00%	8.00%
(b) Salary Escalation		4.00%	4.00%
<b>II Changes in present value of obligations</b>			
(a) Present value of obligations as at the beginning of year		1,259,882	9,045,380
(b) Interest cost		100,791	723,630
(c) Current Service Cost		140,151	775,107
(d) Benefits Paid		(410,087)	(492,474)
(e) Actuarial gain on obligations		255,394	849,504
(f) Present value of obligations as at the end of year		1,346,131	10,901,147
<b>III Changes in the fair value of plan assets</b>			
(a) Fair value of plan assets at the beginning of year		959,840	7,855,737
(b) Expected return on plan assets		88,093	788,043
(c) Contributions		287,835	1,184,748
(d) Benefits paid		(410,087)	(492,474)
(e) Actuarial gain on Plan assets		-	-
(f) Fair value of plan assets at the end of year		925,681	9,336,054
<b>IV Fair value of plan assets</b>			
(a) Fair value of plan assets at the beginning of year		959,840	7,855,737
(b) Actual return on plan assets		88,093	788,043
(c) Contributions		287,835	1,184,748
(d) Benefits Paid		(410,087)	(492,474)
(e) Fair value of plan assets at the end of year		925,681	9,336,054
(f) Funded status		(420,450)	(1,565,093)
(g) Excess of Actual over estimated return on plan assets		-	-
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)			
<b>V Actuarial Gain/Loss recognized</b>			
(a) Actuarial gain for the year -Obligation		(255,394)	(849,504)
(b) Actuarial gain for the year - plan assets		-	-
(c) Total gain for the year		255,394	849,504
(d) Actuarial gain recognized in the year		255,394	849,504
<b>VI The amounts to be recognized in the balance sheet and statements of Profit and Loss</b>			
(a) Present value of obligations as at the end of the year		1,346,131	10,901,147
(b) Fair value of plan assets as at the end of the year		925,681	9,336,054
(c) Funded status		(420,450)	(1,565,093)
(d) Net (liability)/asset recognized in balance sheet		(420,450)	(1,565,093)
<b>VII Expenses Recognised in statement of Profit &amp; Loss</b>			
(a) Current Service cost		140,151	775,107
(b) Interest Cost		100,791	723,630
(c) Expected return on plan assets		(88,093)	(788,043)
(d) Net Actuarial gain recognised in the year		255,394	849,504
(e) Expenses recognised in statement of Profit & Loss Account		408,243	1,560,198

Note : The above information have been given based on information provided by the Life Insurance Corporation of India.

**Consolidated Financial Statements**

**CONSOLIDATED NOTES ON ACCOUNTS**
**31 Derivatives:**
**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 31.03.2015		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	
Amount Receivable	56,258,448	841,688	EUR
	32,109,174	517,473	USD

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

Particulars	As on 31.03.2015		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	
Amount Payable	1,066,365	15,673	EUR
	37,974	409	GBP
	14,832,062	236,634	USD
Loan Liability	39,234,592	625,951	USD
	8,841,172	129,941	EUR
Interest accrued but not due	48,758	778	USD
	17,104	251.00	EUR

## 29 SEGMENT REPORTING

The Company's business activity falls within a single Primary segment viz. : "Manufacturing of Electrical Contacts". Since the sales outside India is more than 10% of the total sales, geographical segment is reported as the secondary segment.

Particulars	Amount in Rs.	
	2014-15	
	Within India	Outside India
Segment Revenue	1,463,053,697	255,079,469
Segment Assets	1,385,550,453	92,833,118
Addition Fixed Assets	42,272,514	-

Notes:

(a) The segment revenue in the geographical segments considered for disclosure are as follows:-

- Revenue within India includes sales to customers located within India and Earnings in India.
- Revenue outside India includes sales to customers located outside India and Earnings outside India.

(b) Segment Revenue, Segment Assets and Capital Expenditure include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

## CONSOLIDATED NOTES ON ACCOUNTS

## 30 RELATED PARTY DISCLOSURES

(A) Names of related parties and description of relationship:

### 1. Enterprises over which key management personnel and relative of such personnel have significant influence

- Modison (Partnership Firm)
- Modison Copper Pvt. Ltd.
- Modicon Pvt. Ltd.
- Dishah Innovative Solutions Pvt. Ltd.
- Modison Engineering Solutions Pvt. Ltd.

### 2. Key Management Personnel

- Mr. G. L. Modi  
Managing Director
- Mr. Rajkumar Modi  
Wholtime Director
- Mr. Kumar Jay Modi  
Wholtime Director

### 3. Relatives of Key Management Personnel

- Mrs. Chandramani Devi Modi  
Mother of Mr. Rajkumar Modi

(B) Details of Transactions during the year with related parties at the year end.

S.No.	Related parties	Nature of Transactions during the year	2014-15 (Rs.)
1	Mr. G.L. Modi	Remuneration Paid (including Other benefits)	11,677,801
		Purchase of shares of Modison Contacts Pvt Ltd	705,850
2	Mr. Rajkumar Modi	Remuneration Paid (including Other benefits)	4,218,816
		Purchase of shares of Modison Contacts Pvt Ltd	594,400
3	Mr. Kumar Jay Modi	Rent Paid	192,000
		Purchase of shares of Modison Contacts Pvt Ltd	185,750
		Salary Paid (including Other benefits)	1,760,086
			300,000
4	Mrs. Chandramani Devi Modi	Rent Paid	300,000
5	Modicon Pvt. Ltd.	Purchase of Goods	1,105,356
		Sale of Goods	4,474,487
6	Modison Copper Pvt. Ltd.	Purchase of Goods	167,497,811
		Sale of Goods	35,302,243
		Purchase of Fixed assets	137,626
		Sale of Fixed assets	43,735
		Service Rendered	86,385
		Service Received	11,364,670
7	Dishah Innovative Solutions Pvt. Ltd.	Purchase of Fixed assets	430,476
		Sale of Goods	551
		Service Received	119,981
8	Modison (Partnership Firm)	Royalty (Includes service tax Rs 202,356 (Previous Year Rs 92,329))	1,839,547
9	Modison Engineering Pvt. Ltd.	Sale of Goods	12,699

(C) Balance at the year end.

S.No.	Related parties	Nature of Transactions	31.03.2015
1.	Mr. G. L. Modi	Remuneration Payable (Including Gratuity Payable)	3,690,508
2.	Mr. Rajkumar Modi	Remuneration Payable (Including Gratuity Payable)	2,771,431
3.	Mr. Kumar Jay Modi	Remuneration Payable (Including Gratuity Payable)	603,508

## 32 RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	2014-15
Capital Expenditure included in Fixed Assets	14,358,820
Revenue Expenditure included in Employee Benefit	2,728,043
Revenue Expenditure included in Other Expenses	2,270,884

## Consolidated Financial Statements

**33 OPERATING LEASES DISCLOSURES****Assets Taken on Lease**

The company's major leasing arrangements are in respect of staff quarters and office premises taken on Leave and License basis. The aggregate lease rentals of Rs 912,610/- are charged as Rent and shown under the Note No. 25 "Other Expenses". 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.

34 Balances of Trade Receivables, Trade Payables and Loans and Advances are subject to confirmation and consequential adjustment, if any.

**35 SIGNIFICANT ACCOUNTING POLICIES****(A) Basis of Preparation of Financial Statement**

The Financial Statements have been prepared under the historical cost convention on an accrual basis and comply in all material aspects with the mandatory accounting standards and the relevant provisions of the Companies Act, 2013.

**(B) Use of Estimates**

The presentation and preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of revenues and expenses during the reporting year. Difference between the actual result and the estimates are recognized in the year in which the results are known / materialized.

**(C) Inventories Valuation**

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) Cash and Cash Equivalents**

Cash and Cash equivalents for the purpose of cash flow statements comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(E) Revenue Recognition**

(i) 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.

(ii) Income from services are recognised on completion of services.

**(F) Other Income**

i) Interest income is recorded on a time proportion basis taking into account the amounts invested and the rate of interest.

ii) All export benefits other than advance license benefits are accounted for on accrual basis.

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

**(G) Fixed Assets & Depreciation / Amortisation**

i) 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.

ii) Depreciation in respect of tangible assets i.e. Factory Building for SF6, Electric Installation for SF6 project, Factory Buildings at Plot No. 85-B and Plot Nos. 85/D & E has been provided on straight line method (SLM) and in respect of all other tangible assets on written down method (WDV) as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation in respect of the following tangible assets, whose life of the assets has been assessed by the management as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc. is charged as under:

Assets	Rates
Plant & Machinery AG	13.91% on WDV Basis
Plant & Machinery SF6	4.75% on SLM Basis
R&D Plant & Machinery	4.75% on SLM Basis

iii) No amortisation is provided in accounts in respect of Leasehold Land

iv) Depreciation for the year on the assets revalued in the earlier years has been calculated on their respective revalued figures as per the useful life prescribed in Schedule II to the Companies Act, 2013.

v) 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 5 years on Straight Line Method.

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**Consolidated Financial Statements**



**(H) Foreign Currency Transaction**

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 Statement of Profit & Loss except in case of transactions covered by forward exchange contracts where exchange difference is recognized over the life of the contract.

**(I) 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. Current investment are carried individually, at the lower of cost and fair market price.

**(J) Employee Benefit**

i) Short Term Employee benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.

ii) Contribution payable to the recognised Provident Fund which is Defined Contribution Scheme is charged to Statement of Profit and Loss.

iii) 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 Statement of Profit and Loss.

iv) 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.

**(K) Segment Report**

(i) The company identifies primary segment based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

(ii) The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

**(L) Borrowing Cost**

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale as per Accounting Standard 16 "Borrowing Cost". All other borrowing costs are charged to revenue.

**(M) Earning Per Share**

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares except where the results would be anti-dilutive. The numbers of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential equity shares.

**(N) Taxation**

(i) Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income-tax Act, 1961.

(ii) 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.

**(O) Lease**

(i) Lease rentals in respect of assets acquired under operating leases are charged off to the Statement of Profit and Loss.

(ii) Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

(iii) Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc., are recognised immediately in the statement of profit and loss.

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**Consolidated Financial Statements**

**P) Research and Development Expenses**

Revenue expenditure pertaining to research is charged to Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development and depreciated in accordance with the policies stated for Fixed Assets.

**(Q) 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 or the recoverable amount of the cash generating unit to which the assets belongs 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 statement of profit and loss. If at the balance sheet date there is an indication that if 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.

**(R) Provision & Contingent Liability**

The Company creates a provision when 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. A disclosure for 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.

**(S) Operating Cycle**

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

36 Goodwill on consolidation represents goodwill created on acquisition of subsidiary during the year.

37 The company acquired Modison Contacts Private Limited as a subsidiary company on March, 05, 2015. The company was not required to prepare Consolidated Financial Statements for the previous year ending March 31, 2014 and hence no comparative figures have been given in the consolidated financial statements.

As per our report of attached even date.  
**FOR M. L. BHUWANIA & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration Number: 101484W

**FOR AND ON BEHALF OF THE BOARD**

**G.L. MODI**  
**MANAGING DIRECTOR**

**SURESH MODY**  
**DIRECTOR**

**J.P. BAIRAGRA**  
**PARTNER**  
MEMBERSHIP NO. 12839

**RAMESH KOTHARI**  
**CHIEF FINANCIAL OFFICE**

**DEEPASHREE DADKAR**  
**COMPANY SECRETARY**

**PLACE : MUMBAI**  
**DATED : 27TH MAY, 2015**

**PLACE : MUMBAI**  
**DATED : 27TH MAY, 2015**

## Notes

**MODISON**  
**METALS LIMITED**

-112-

**मोहनलाल मोदी हॉस्पिटल**  
फतेहुपर- शेखावाटी- सीकर (राजस्थान)



**प्रधानमंत्री श्री नरेंद्र मोदी  
के बेटी बचाओ अभियान से प्रेरित**

**मोहनलाल मोदी हॉस्पिटल में बेटी के जन्म पर  
₹१०० रुपये का अनुदान**

***बेटी लक्ष्मी है, उसको पढ़ाएं।***

**मोदीसन चैरिटेबल ट्रस्ट, मुंबई  
के सौजन्य से**



**Modison Metals Limited**

33-Nariman Bhavan, 227-Nariman Point, Mumbai 400 021, India.

Tel.: + 91-22-2202 6437 • Fax.: + 91-22-2204 8009 • Email: [sales@modison.com](mailto:sales@modison.com) • Web: [www.modison.com](http://www.modison.com)



# MODISON METALS LIMITED

Regd. Off.: 33, Nariman Bhavan, 227 Nariman Point, Mumbai- 400 021. INDIA.

Phone: + 91- 22- 2202 6437 Fax: +91-22-2204 8009

Email : shareholder@modison.com • Website: www.modison.com

CIN: L51900MH1983PLC029783

**MODISON**  
METALS LIMITED

## ATTENDANCE SLIP

I/We, hereby record my/ our presence at the 32<sup>nd</sup> Annual General Meeting of the Company held at Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai 400005 on Tuesday, 11<sup>th</sup> August, 2015 at 11.30 A.M

Name and Address of the Shareholder(s)

Member's Folio No./DP ID & Client ID

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

## E-VOTING DETAILS:

EVEN (E-VOTING EVENT NUMBER)	USER ID	PASSWORD

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No. / Client Id:

DP ID: \_\_\_\_\_

I/We, being the member (s) of \_\_\_\_\_ shares of above named Company, hereby appoint

1. Name : \_\_\_\_\_ Address : \_\_\_\_\_

\_\_\_\_\_ E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him

2. Name : \_\_\_\_\_ Address : \_\_\_\_\_

\_\_\_\_\_ E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him

As my/our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company, to be held on ..... at ..... a.m. at ..... and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I/We wish my above proxy(ies) to vote in the manner as indicated in the box below:

Item No	Resolutions	No. of Shares	For	Against
			I/We assent to the resolution	I/We dissent to the resolution
1.	Adoption of Audited Balance Sheet as at 31 <sup>st</sup> March 2015, the Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.			

2.	To declare Dividend on Equity Shares for the Financial year 2014-2015.			
3.	To re-appoint Mr. Suresh Mody who retires from office by rotation.			
4.	To re-appoint Mr. Rajkumar Modi who retires from office by rotation.			
5.	To re-appoint M/s M.L. Bhuwania & Co., Chartered Accountants, as Statutory Auditors.			
6.	To regularise Additional Director , Mr. B.B Singh ,as a Director.			
7.	To regularise Additional Director, Mrs. Rita Bhatia ,as a Director .			
8.	To re-appoint and fix remuneration of Mr. G. L. Modi, Managing Director.			
9.	To reappoint and fix remuneration of Mr. Kumar Jay Modi as a Whole time Director.			
10.	To appoint Mr. Suresh Mody as a consultant.			
11.	To appoint Mr. Ranjan Dasgupta as a consultant.			
12.	To appoint Mr. B.B.Singh as a consultant.			
13.	To ratify fees payable to the Cost Auditors M/s. N. Ritesh & Associates, Cost Accountants.			
14.	To confirm appointment of Mrs. Rita Bhatia as an Independent Director.			
15.	To consider and approve related party transactions from April, 2015.			

Affix  
revenue  
stamp

Signed this ....<sup>th</sup> day of ..... 2015

Signature of share holder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

**\*\*This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.**

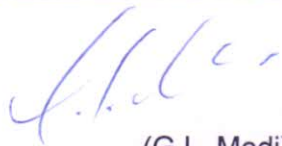

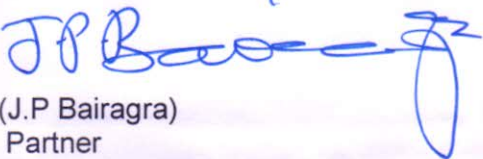

**Note:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- A Proxy need not be a member of the Company.
- In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by the officer or an attorney duly authorized by it and authenticated copy of such authorization should be attached to the proxy form.
- A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy for any other person or Member.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

## FORM A

(Clause 31(a) of Listing Agreement)

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company :	MODISON METALS LIMITED
2.	Annual Financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit Observation	<u>Matter of Emphasis:</u> We draw attention to Note No. 13.2 of the Financial Statement which states that as per the policy of inventory valuation of the company, the Silver booked by the customer has been valued at the rate at which the same is booked by customers which is not in consonance with Accounting Standard 2, on "Inventory valuation". However the impact on the profit is not material. Our opinion is not qualified in respect of this matter.
4.	Frequency of observation	Appeared First time as stated above at item no. 3 for the financial year ended 31 <sup>st</sup> March, 2015.
5.	To be signed by -	
	<ul style="list-style-type: none"> <li>Managing Director</li> </ul>	 (G.L. Modi)
	<ul style="list-style-type: none"> <li>CFO</li> </ul>	 (Ramesh Kothari)
	<ul style="list-style-type: none"> <li>Auditor of the Company</li> </ul>	For M.L. Bhuwania & Co. Chartered Accountants (Registration No. 101484W)  (J.P. Bairagra) Partner Membership No. 12839
	<ul style="list-style-type: none"> <li>Audit Committee Chairman</li> </ul>	 (Ranjan Dasgupta) (Audit Committee Chairman)