

MODISON METALS LIMITED

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

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CIN No: L51900MH1983PLC029783

NOTICE

NOTICE is hereby given that the Thirty Third 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, 9th August, 2016 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 March 31st, 2016, together with the reports of the Board of Directors and Auditors thereon and
 - b) the Audited Consolidated financial statements of the Company for the year ended March 31st, 2016 together with the reports of Auditors thereon.
2. To approve the interim dividend of Re.1 per equity share, already paid during the year for the year ending March, 31st 2016.
3. To appoint a Director in place of Mr. Kumar Jay Modi (DIN No: 00059396) who retires by rotation and, being eligible, seeks reappointment.
4. To appoint a Director in place of Mr. B.B.Singh (DIN No: 03086339) who retires by rotation and, being eligible, seeks reappointment.
5. To appoint M/s M.L. Bhuwania & Co.,Chartered Accountants, as Statutory Auditor 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, 142 and all other applicable provisions, if any, of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. M.L. Bhuwania & Co (Firm registration No :101484W), Chartered Accountants, as Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s) if any, the following as an **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) (Certificate of Practice

No : R100675), 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 ending 31st March, 2017 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.”

7. To regularise the appointment of Mr. Ashok Jatia (DIN No: 07209136) 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. Ashok Jatia (DIN No: 07209136), who was appointed as an Additional Director by the Board of Directors with effect from November 2nd, 2015, in terms of Section 161 of the Companies Act, 2013 and Article 81 of Article of Association of the Company, 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.”

8. To regularise the appointment of Mr. Rakesh Singh (DIN No: 07319353) 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. Rakesh Singh (DIN No: 07319353), who was appointed as an Additional Director by the Board of Directors with effect from November 2nd, 2015, in terms of Section 161 of the Companies Act, 2013 and Article 81 of Article of Association of the Company, 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.”

9. To appoint and fix remuneration of Mr. Rakesh Singh (DIN No: 07319353) 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 appointment of Mr. Rakesh Singh (DIN No: 07319353) as a Whole-time Director of the Company, for a period of 3 (three) years with effect from November 2nd, 2015 to November 1st, 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. Rakesh Singh, 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 reappoint and fix remuneration of Mr. Rajkumar Modi (DIN No: 00027449) 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 thereunder 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. Rajkumar Modi (DIN No: 00027449) as a Whole-time Director of the Company, for a period of 3 (three) years with effect from June 1st, 2016 to May 31st, 2019 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. Rajkumar 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.”

11. To confirm appointment of Mr. Ashok Jatia (DIN No: 07209136) 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 Regulation 16(1)(b), 17(1) and 25 of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, Mr. Ashok Jatia (DIN No: 07209136), Director of the

Company, who has submitted a declaration that he 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 his 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 November 2nd, 2015 to November 1st, 2020.”

MUMBAI, 26th May, 2016

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) 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.
- b) An Explanatory statement pursuant to Section 102 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 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 02/08/2016 to 09/08/2016 (Both days inclusive).
- g) 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 account. Members holding shares in physical form should submit their PAN to the Company / Registrar.
- h) 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.

- i) 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.
- j) 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
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
11.08.2015	2014-2015	10.08.2022
09.03.2016 (Interim Dividend)	2015-2016	08.03.2023

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.

- k) The Company is listed at:
 BSE Ltd,
 Phiroze Jeejeebhoy Towers,
 Dalal Street, Mumbai- 400 001.
 The listing fees have been paid in time.
- l) As per the requirements of Corporate Governance for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details of the concerned Directors is given below:

	Name of the Director	Mr. Kumar Jay Modi	Mr. B.B.Singh	Mr. Rajkumar Modi	Mr. Rakesh Singh
i)	Date of birth	05.12.1978	08.02.1956	08.03.1965	01.03.1968
ii)	Date of Appointment	01.04.2012	27.10.2014	09.06.1998	02.11.2015
iii)	Qualification	B.Com	B.Tech Mechanical	B.Com., MBA	BE (Mechanical) with Graduate Diploma in Materials Management
iv)	Expertise in specific functional area	International Sales & Marketing	37 year's of experience in Engineering Industry.	He has a sharp business acumen, stronghold in export	26 years in various areas of operations

				market and excellent administrative skills	
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 Directors of other companies in which he is a Director	Nil	Nil	Nil	Nil
vii)	Relationship with other Director	Son of Mr.G.L.Modi	None	None	None

The Annual Report 2015-2016 as circulated to the members of the Company is also available on the website of the Company www.modison.com

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Voting through electronic means

- I. In compliance with the 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 Regulation 44 of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, 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 5th August, 2016 (10:00 am) and ends on 8th August, 2016 (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 2nd August, 2016, 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 "evoting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "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 with a copy marked to 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:

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>
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(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 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 2nd August, 2016.
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. 2nd August, 2016, may obtain the login ID and password by sending a request at 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 or contact NSDL at the following toll free no.: 1800-222-990.
- XII. 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.
- XIII. M/s. Ragini Chokshi & Co., a firm of Practicing Company Secretaries (Firm Registration No.BA92897) 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.
- XIV. 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.
- XV. 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.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company 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.

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

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 (Certificate of Practice No : R100675), Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ended March 31st, 2017, at a remuneration of Rs.50,000/- plus service tax as applicable and reimbursement of conveyance at actuals, subject to ratification by shareholders.

In terms of 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 for the financial year ending 31st March, 2017 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. 7 & 8

The Board of Directors of the Company at its meeting held on November 2nd, 2015 had appointed Mr. Ashok Jatia (DIN No:07209136) and Mr. Rakesh Singh (DIN: 07319353) as Additional Directors who holds their office only upto this Annual General Meeting. Pursuant to the 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. Ashok Jatia and Mr. Rakesh Singh for whom the resolution relates, are concerned or interested in the resolution.

The Board recommends above Resolution for your approval.

Item No. 9

The Board of Directors of the Company (the 'Board') at its Meeting held on November 2nd, 2015 appointed Mr. Rakesh Singh as Whole- time Director pursuant to the provisions of Section 196 of the Companies Act, 2013 (the 'Act').

Mr. Rakesh Singh 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. Rakesh Singh as Whole-time Director of the Company, for a period of three years with effect from November 2nd, 2015 to November 1st, 2018.

It is proposed to seek Members' approval for the appointment of and remuneration payable to Mr. Rakesh Singh, as Whole-time Director, in terms of the applicable provisions of the Act.

Broad particulars of the terms of appointment and remuneration payable to Mr. Rakesh Singh is as under:

A) Salary:

- (i) Salary & Allowances: Rs. 3,11,300/- per month in the scale of Rs.3,11,300~Rs.3,95,000 per month with such increase within the scale as the Board may sanction from time to time.
- (ii) Bonus/Ex-Gratia : As per Rules of the Company.
- (iii) Perquisites will be paid in addition to Salary.

Perquisites are classified as follows:

Category 'A'

- (i) Medical Reimbursement: Rs. 15,000/- per annum towards medical expenses incurred for appointee and the family.
- (ii) Leave Travel Concession : Rs.94,500/- per annum for the appointee and his family once in a year incurred in accordance with any rule specified by the Company.
- (iii) Re-imbursement of Driver Salary: Rs.15,000/- per month for provision of car used for company's business.
- (iv) Personal Accident Insurance: Personal Accident insurance of an amount, annual premium of which does not exceed Rs. 5,000 per annum.
- (v) Mediciam Insurance Policy for the appointee and his family members annual policy amount shall not exceed Rs.5,00,000/-

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.

The above salary and perquisites may be increased from time to time as decided by the Board, but shall not exceed Rs.55Lakhs per annum.

The Whole-time Director agrees to give an undertaking to the Company that he shall not so long as he functions as Whole-time 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 Whole-time 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 case of no profits or inadequate profits, he shall be paid the above remuneration as minimum remuneration.

The terms as herein contained are without prejudice to any changes in the Government Policy or any action that may be taken by the Government in pursuance of the provisions of the Companies Act, 2013 or any amendment thereto that may be enacted by parliament from time to time.

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 Whole-time 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. Rakesh Singh 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 of the Company (the 'Board') at its Meeting held on May 26th, 2016 re-appointed Mr. Rajkumar Modi as Whole-time Director pursuant to the provisions of Section 196 of the Companies Act, 2013 (the 'Act').

Mr. Rajkumar 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. Rajkumar Modi as Whole-time Director of the Company, for a period of three years with effect from June 1st, 2016 to May 31st, 2019.

It is proposed to seek Members' approval for the re-appointment of and remuneration payable to Mr. Rajkumar Modi, as Whole-time Director, in terms of the applicable provisions of the Act.

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

A) Salary:

(i) Basic Salary: Rs. 4,05,000/- per month in the scale of Rs. 4,05,000~ Rs. 5,05,000/-per month with such increase within the scale as the Board may sanction from time to time

(ii) Perquisites and Allowances::

In addition to the salary payable, the Whole-Time Director shall also be entitled to perquisites and allowances like House Rent Allowance, medical reimbursement, leave travel concession for himself & his family, personal accident insurance and such other perquisites and allowances in accordance with the rules of the Company. The perquisites and allowances will be subject to a maximum of 50% of annual salary.

(iii) 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.

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 above salary & perquisites may be increased from time to time as decided by the Board, but shall not exceed Rs.100 Lakhs per annum.

The Whole-time Director agrees to give an undertaking to the Company that he shall not so long as he functions as Whole-time 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 Whole-time 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 case of no profits or inadequate profits, he shall be paid the above remuneration as minimum remuneration.

The terms as herein contained are without prejudice to any changes in the Government Policy or any action that may be taken by the Government in pursuance of the provisions of The Companies Act, 2013 or any amendment thereto that may be enacted by parliament from time to time.

The Agreement between the Company and the Whole-time 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. Rajkumar Modi for whom the resolution relates, are concerned or interested in the resolution.

The Board recommends this Resolution for your approval.

Item No.11

Mr. Ashok Jatia has been appointed as an Non-Executive Additional Director of the Company w.e.f November 2nd, 2015 and is considered as an Independent Director under Regulation 16(1)(b),17 and 25 of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Ashok Jatia proposed to be appointed as an Independent Director and he also fulfills the conditions specified in the section 149(6) and other applicable provisions of the Companies Act, 2013 and rules made thereunder and Regulation 16(1) (b),17 and 25 of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and that the proposed director is independent of the management.

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

The Board recommends this Resolution for your approval.

MUMBAI, 26th May 2016

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

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STATEMENT GIVING INFORMATION TO SHAREHOLDERS AS REQUIRED BY SCHEDULE V OF THE COMPANIES ACT, 2013 IN TERMS OF ITEM NO. 9 REGARDING APPOINTMENT OF MR.RAKESH SINGH AS WHOLE-TIME DIRECTOR.

WHOLE-TIME DIRECTOR.

I. General information:													
1) Nature of Industry:	Manufacturing (Electrical Contact Industry)												
2) Date or expected date of commencement of commercial production:	21 st October, 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:	<div>Rs. In Lakhs</div> <table><tr><td></td><td>F.Y 2015-16</td><td>F.Y 2014-15</td></tr><tr><td>Revenue & Other Income</td><td>Rs.16,921.05</td><td>Rs.17,181.33</td></tr><tr><td>Net Profit before tax:</td><td>Rs 1,718.67</td><td>Rs. 664.54</td></tr><tr><td>Export (FOB)</td><td>Rs.2,553.98</td><td>Rs.2,504.82</td></tr></table>		F.Y 2015-16	F.Y 2014-15	Revenue & Other Income	Rs.16,921.05	Rs.17,181.33	Net Profit before tax:	Rs 1,718.67	Rs. 664.54	Export (FOB)	Rs.2,553.98	Rs.2,504.82
	F.Y 2015-16	F.Y 2014-15											
Revenue & Other Income	Rs.16,921.05	Rs.17,181.33											
Net Profit before tax:	Rs 1,718.67	Rs. 664.54											
Export (FOB)	Rs.2,553.98	Rs.2,504.82											
5) Foreign investments or collaborations, if any:	No Foreign investments or collaborations. Not Applicable												
II. Information about the appointee:													
1) Background details:	<p>Mr. Rakesh Singh who is of 48 years old is Bachelor of Engineering (Mechanical) with Graduate Diploma in Materials Management and is responsible for operational & strategic activities of the organisation. Prior to joining M/s. Modison Metals Ltd, he was with engineering conglomerate M/s. Larsen & Toubro and had a distinguished career spanning over 17 years in various areas of operations .He started his career with M/s. Eaton and worked there for 6 years.</p> <p>Mr Rakesh Singh in his stint with Modison has achieved the 43% of volume growth in 3 years with CAGR of 15% in spite of sluggish and muted switchgear industry and overall economy as well.</p> <p>His effort in customer intimacy led to development of many new customers and revival of key few. He developed North America market which has given rich dividend as of now. Mr Rakesh Singh institutionalised PMS (performance management system) which has enabled the objectives of individuals with the respective functions and organisation overall with clear focus on KRA/KPI. His implementation of GMP (Good manufacturing practices), procurement optimisation & Robust QC tools has ensured better responsiveness, cost reduction and mature systems and processes.</p>												
2) Past remuneration:	Following remuneration is being paid to him as Chief Executive officer (CEO) of the Company till 1 st												

	<p>November,2015:</p> <p>Salary & Allowance : Rs 3,11,300/- per month</p> <p>Bonus/Ex-Gratia and Perquisite: As per rules of the Company.</p>
3) Recognition or Awards:	<p>Certified Auditor and Lead Assessor for ISO 9001:2000 conferred by MFQ and a Master Black Belt in Six Sigma awarded by the Indian Statistical Institute and Received "Best people and business manager award-2008" at L &T in a survey conducted by International HR Agency GALLUP and he was also a member of winning team of Ramkrishna Bajaj National Award.</p> <p>Under his leadership, the Modison participated in Emerging India award for SME by CNBC TV18 and was nominated as top 3 companies in the engineering and capital goods category.</p> <p>In addition to this, Modison also won certificate of excellence from Inc.500 for exhibiting sustainable growth.</p>
4) Job profile and his suitability:	<p>The Whole-time Director shall perform such duties as the Company may require him to do from time to time and devote his whole-time and attention and do the utmost of his power and ability for the benefit of the Company. Since, his appointment Mr. Rakesh Singh has done various work in the area of customer satisfaction, administration, employees welfare. The Whole-time Director with his clear vision for growth, expansion, customer satisfaction and reputation of the organization is suitable for the Company.</p>
5) Remuneration proposed:	<p>Salary & Allowances: Rs. 3,11,300/- per month in the scale of Rs.3,11,300~Rs.3,95,000 per month</p> <p>Bonus/Ex-Gratia and Perquisites: As per Rules of the Company.</p> <p>Other Benefits : As per Rules of the Company.</p> <p>Maximum Remuneration: Rs.4,58,333/- per month.</p>
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):	<p>Rs.50 Lakh per annum.</p>
7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	<p>None</p>
III. Other information:	
1) Reason of loss or inadequate profit:	<p>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.</p>
2) Steps taken or proposed to be taken for	<p>A focussed restructuring program with thrust on</p>

improvement:	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.18,500/- Lakhs and Net Profit before Tax of Rs. 1,875/- Lakhs in Financial Year 2016-17. 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.	

<u>STATEMENT GIVING INFORMATION TO SHAREHOLDERS AS REQUIRED BY SCHEDULE V OF THE COMPANIES ACT 2013 IN TERMS OF ITEM NO.10 REGARDING RE-APPOINTMENT OF MR.RAJKUMAR MODI AS WHOLE-TIME DIRECTOR.</u>			
II. General information:			
1) Nature of Industry:		Manufacturing (Electrical Contact Industry)	
2) Date or expected date of commencement of commercial production:		21 October 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:		Rs. In Lakhs	
		F.Y 2015-16	F.Y 2014-15
Revenue & Other Income		Rs.16,921.05	Rs.17,181.33
Net Profit before tax:		Rs 1,718.67	Rs. 664.54
Export (FOB)		Rs.2,553.98	Rs.2,504.82
5) Foreign investments or collaborations, if any:		No Foreign investments or collaboration. Not Applicable	
II. Information about the appointee:			
1) Background details:		In 1991, after passing MBA (INTL.MGT) from	

	University of Dallas, Texas, USA, Mr. Rajkumar Modi started the career as a Director looking full time into the daily affairs of business from purchasing to marketing end to end responsibility. Later on the market was expanded globally from Japan to Brazil covering most of the developed countries. In 2001, he became the Whole-Time Director getting more responsibility in looking at newer market and new product introduction. He was instrumental in launching Medium Voltage Contact parts for use in Vacuum Interrupters Devices. Also developing import substitute items like Spiral Spring Contacts. He is advised by team of professionals working towards achieving the goals set up by the Company's Management.
2) Past remuneration:	Following remuneration is being paid to him by the Company till date: Basic Salary: Rs. 3,15,000/- per month Perquisites: 10% of Annual Salary. Other Benefits :As per Rules of the Company
3) Recognition or Awards:	MODISON Silver bars are recognised 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.
4) Job profile and his suitability:	The Whole-time Director shall perform such duties as the Company may require him to do from time to time and devote his whole-time and attention and do the utmost of his power and ability for the benefit of the Company. The Whole-time Director with strong hold in export market and excellent administrative capabilities is suitable for the Company.
5) Remuneration proposed:	Basic Salary Rs.4,05,000/- per month in the scale of Rs.4,05,000/- to 5,05,000/- per month. Perquisites: Restricted to 50% of annual salary Other Benefits :As per Rules of the Company Maximum Remuneration: Rs.8,33,333/- 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):	Rs. 125 Lakhs per annum.
7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	Promoter of the Company appointed as Whole-time Director of the Company w.e.f 01.04.2001
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. 18,500/- Lakhs and Net Profit before Tax of Rs.1,875/- Lakhs in Financial Year 2016-17. 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, 26 May 2016 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
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MODISON METALS LIMITED**Registered Office:** 33, Nariman Bhavan, 227 Nariman Point, Mumbai- 400 021. INDIA.**Phone:** + 91- 22- 2202 6437 **Fax:** +91-22-2204 8009**Website:** www.modison.com**CIN:** L51900MH1983PLC029783**Email Id:** shareholder@modison.com**ATTENDANCE SLIP**

I/We, hereby record my/ our presence at the 33rd Annual General Meeting of the Company scheduled on Tuesday, 9th August 2016 at 11.30 A.M at Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai-400005.

Name and Address of the Shareholder(s)

Number of shares held:

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 33rd Annual General Meeting of the Company, to be held on Tuesday, 9th August 2016 at 11.30 a.m. at Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai-400005 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 Financial statements of the Company for the financial year ended 31 st March 2016, together with the reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended 31 st March 2016, together with the reports of Auditors thereon.			
2.	To approve the interim dividend already paid for the Financial year 2015-2016.			
3.	To re-appoint Mr. Kumar Jay Modi who retires from office by rotation.			
4.	To re-appoint Mr. B.B.Singh who retires from office by rotation.			
5.	To appoint M/s M.L. Bhuwania & Co., Chartered Accountants, as Statutory Auditors.			
6.	To appoint M/s. N. Ritesh & Associates, Cost Accountants as Cost Auditors.			
7.	To regularise Additional Director, Mr. Ashok Jatia, as a Director.			
8.	To regularise Additional Director, Mr. Rakesh Singh, as a Director .			
9.	To appoint and fix remuneration of Mr. Rakesh Singh as Whole time Director.			
10.	To reappoint and fix remuneration of Mr. Rajkumar Modi as Whole time Director.			
11.	To confirm appointment of Mr. Ashok Jatia as an Independent Director.			

Signed thisth day of 2016

Signature of share holder

Affix
revenue
stamp

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.

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ANNUAL REPORT: 2015-2016

ANNUAL REPORT: 2015-16

BOARD OF DIRECTORS:

RANJAN DASGUPTA

Chairman

G.L. MODI

Managing Director

RAJKUMAR MODI

Whole-time Director

KUMAR JAY MODI

Whole-time Director

RAKESH S. SINGH

Whole-time Director (Appointed w.e.f. 02.11.2015)

SURESH MODY

R.A. GOENKA

B.B. SINGH

RITA BHATIA

ASHOK JATIA

Additional Director (Appointed w.e.f. 02.11.2015)

DEEPASHREE MAKARAND DADKAR

Company Secretary

AUDITORS:

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

CHARTERED ACCOUNTANTS

F-11, 3RD FLOOR, MANEK MAHAL

90, VEER NARIMAN ROAD

CHURCHGATE

MUMBAI – 400 020

BANKERS:

BANK OF INDIA

REGISTERED & HEAD OFFICE

33 NARIMAN BHAVAN

227 NARIMAN POINT

MUMBAI – 400021

Tel: 022 2202 6437

Email Id: shareholder@modison.com

Web: www.modison.com

WORKS ADDRESS

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

PHASE-I, GIDC, VAPI-396 195

DIST. VALSAD, GUJARAT

CONTENTS

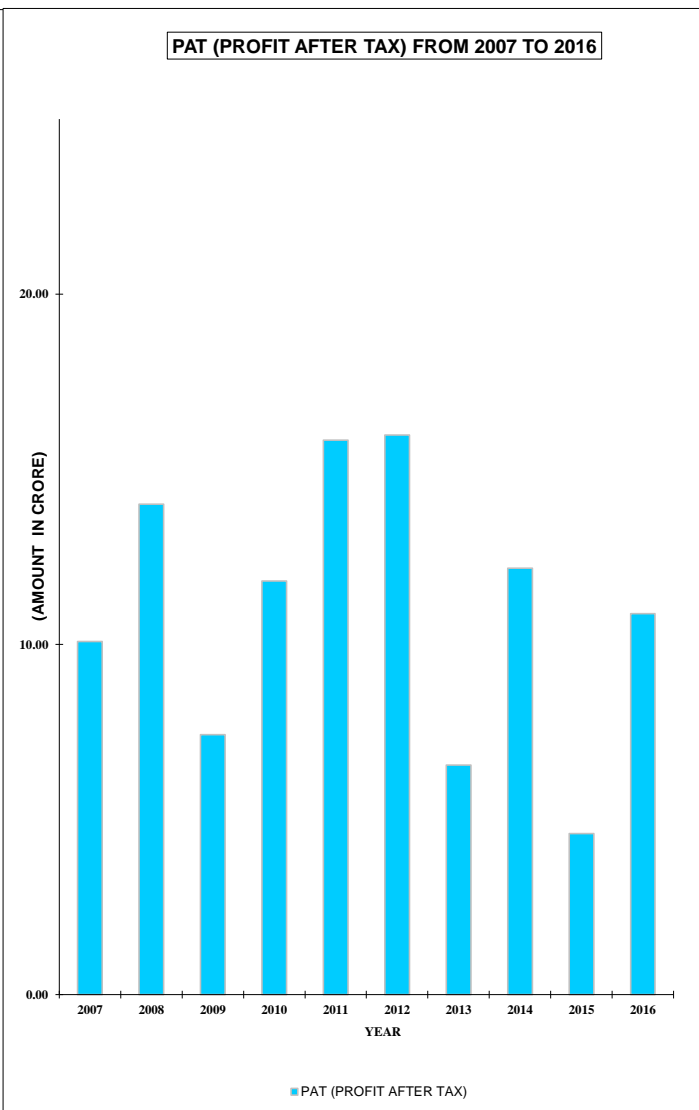
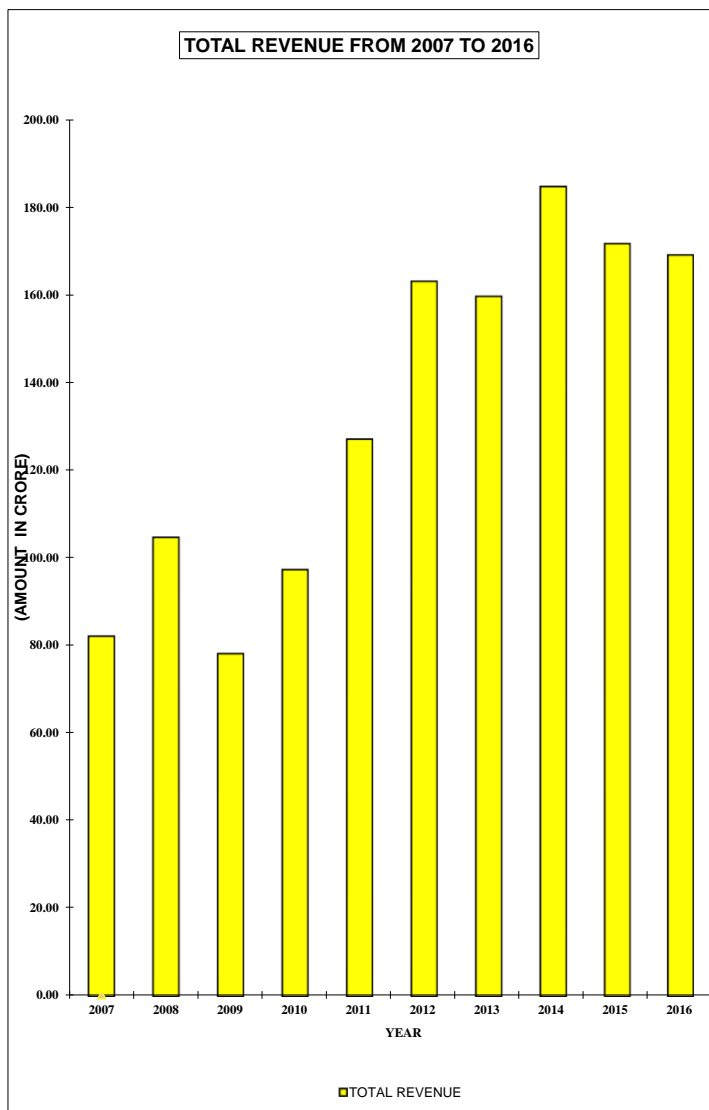
Corporate Information	1
Financial Highlights	2
Directors' Report	3-34
Management Analysis & Discussion Report	35-38
Corporate Governance	39-59
Independent Auditors' Report	60-66
Standalone Financial Statement	67-82
Consolidated Auditors' Report	83-87
Consolidated Financial Statement	88-102

FINANCIAL HIGHLIGHTS

(Rupees in Crore)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
TOTAL REVENUE	82.20	104.77	78.20	97.40	127.22	163.23	159.78	184.84	171.81	169.21
EBITDA	20.28	26.81	16.68	22.73	29.44	31.62	19.49	*26.79	16.75	26.91
DEPRECIATION & AMORTISATION	2.64	2.65	3.51	3.97	4.61	5.26	6.05	6.22	6.63	6.37
EBIT	17.64	24.16	13.17	18.76	24.83	26.36	13.44	20.57	10.12	20.54
TAXATION	5.44	7.95	4.05	5.92	7.94	7.68	3.72	6.27	2.04	6.30
PAT (PROFIT AFTER TAX)	10.08	14.00	7.42	11.81	15.83	15.98	6.56	12.18	4.60	10.88
EBITDA TO TOTAL REVENUE (%)	24.67	25.59	21.33	23.34	23.14	19.37	12.20	14.49	9.75	15.90
EBIT TO TOTAL REVENUE (%)	21.46	23.06	16.84	19.26	19.52	16.15	8.41	11.13	5.89	12.14
PAT TO TOTAL REVENUE (%)	12.26	13.36	9.49	12.13	12.44	9.79	4.11	6.59	2.68	6.43
NET BLOCK (+ CWIP)	30.98	38.70	41.03	44.05	46.64	54.73	62.09	60.65	59.01	61.98
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	29.46	41.83	49.54	58.41	70.39	82.53	85.22	92.60	94.11	101.09
NET WORTH	31.73	44.19	51.99	60.96	73.03	85.27	88.04	95.48	96.99	103.97
FEW KEY RATIOS										
EARNINGS PER SHARE (Rs.)	3.11	4.31	2.29	3.64	4.88	4.93	2.02	3.75	1.42	3.35
BOOK VALUE (Rs.)	9.78	13.62	16.02	18.79	22.51	26.28	27.13	29.42	29.89	32.04
DIVIDEND (%)	25.00	40.00	40.00	75.00	100.00	100.00	100.00	125.00	75.00	100.00

* Excluding Exceptional Items Rs.0.79 Crore



DIRECTORS' REPORT

To
The Members of
Modison Metals Limited

The Directors have pleasure in presenting before you the Thirty Third Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

(Rupees in Lakhs)

	2015-16	2014-15
Revenue from operation & other income	16,921.05	17,181.33
Gross Profit before Finance Cost & Depreciation/Amortisation	2,690.79	1,674.63
Less: Finance Cost	334.76	347.39
Less: Depreciation / Amortisation	637.36	662.70
Profit before Exceptional items	1,718.67	664.54
Exceptional items	-	-
Profit before taxation	1,718.67	664.54
Less: <u>Provision for Taxation</u> Current tax	626.50	217.50
Less: Taxation adjustment of previous year	(14.47)	0.36
Less: Deferred tax	18.23	(13.62)
Profit after taxation	1,088.41	460.30
Add: Balance brought forward from the previous year	8,069.25	7,901.87
Profit available for appropriation	9,157.66	8,362.17
Interim & Proposed Dividend	324.50	243.38
Corporate Dividend Tax on Interim & Proposed Dividend	66.06	49.54
Transfer to General Reserve	-	-
Balance carried over to Balance Sheet	8,767.10	8,069.25

DIVIDEND :

Your Directors do not recommend any final dividend for the financial year ended on 31st March 2016 & decided that the interim dividend which is already declared & paid is the final dividend.

The Board of Directors in March 2016 has declared and paid the interim dividend of Re.1/- per Equity share of Re.1 each for the Financial Year ended 31st March, 2016.

TRANSFER TO RESERVES :

The Company has not transferred any amount to Reserves for the Financial Year ended 31st March 2016.

OPERATIONS :

During the year under review, the Company has achieved the **turnover of Rs.16,921.05 Lakhs** as compared to Rs.17,181.33 Lakhs during previous year. The turnover reduced by 1.51% i.e; by Rs.260.28 Lakhs, Profit before tax increased by 158.63% i.e; by Rs.1,054.13 Lakhs & Net Profit after tax increased by 136.46 % i.e; by Rs. 628.12 Lakhs.

Earnings per share for the year 2015-16 is Rs.3.35. Book value now stands at Rs.32.04 per equity share of Re.1 each.

EXPORTS :

The Exports (FOB) including export in INR during the year amounts to **Rs.2,553.98 Lakhs** as against Rs.2,504.82 Lakhs achieved in the previous year. The export increased by 1.96% & i.e; Rs. 49.16 Lakhs.

SHARE CAPITAL:

The paid up equity capital as on 31st March 2016 stood at Rs. 3,24,50,000. 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.

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 Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 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. 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. Kumar Jay Modi and Mr. B.B.Singh, 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. Ashok Jatia and Mr. Rakesh Singh were appointed as an Additional Director of the Company with effect from 2nd November, 2015 under Section 161 (1) of the Act. Mr. Ashok Jatia and Mr.Rakesh Singh hold office upto the date of forthcoming Annual General Meeting and to be regularised in the ensuing Annual General Meeting.

Your Directors state that Mr. Ashok Jatia, Director of the Company vides his letter dated 2nd November, 2015 informed that consequent upon the requirements of the Companies Act, 2013, he had met the criteria prescribed in Section 149 (6) of the said Act. Accordingly, Mr. Ashok Jatia is to be confirmed as an Independent Director in the ensuing Annual General Meeting.

Also, Mr. Rakesh Singh is to be confirmed as a Whole time Director in the ensuing Annual General Meeting.

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 :

Ms. Deepashree Makarand Dadkar is appointed as Company Secretary w.e.f. 01.04.2015.

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.

ANNUAL PERFORMANCE EVALUATION :

Pursuant to the provisions of the Act and Regulation 17(10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 and details for the same is available on the Company's website. The web link is <http://www.modison.com/pdf/financial/Familiarization-Program-for-Independent-Directors-MML.pdf>

BOARD MEETINGS :

The Board of Directors duly met 5 times during the financial year from 1st April, 2015 to 31st March, 2016. The dates on which the meetings were held are as follows:

27th May, 2015, 10th August, 2015, 2th November, 2015, 3rd February, 2016 and 9th March, 2016.

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(12) 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 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 the cost records of your Company for the year ended 31st March, 2017 by the Board of Directors.

iii) **Secretarial Audit :**

A Secretarial Audit was conducted during the year by the Secretarial Auditor, M/s Ragini Chokshi & Co, Practicing Company Secretaries, Mumbai, in accordance with provisions of Section 204 of the Companies Act, 2013. 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:

Last Year, your company has 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 web link is <http://www.modison.com/pdf/financial/Material-Subsidiaries-Policy-MML.pdf>. The subsidiary company has recorded a loss of Rs.23,404/- during the Financial Year 2015-16. During the year, the Board of Directors reviewed the affairs of the subsidiary. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company, which forms part of this Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiary is annexed as **Annexure IV**. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of subsidiary is available on our website www.modison.com.

CORPORATE GOVERNANCE

Your Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 34 (3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report. The Auditor's Certificate on its compliance form part of this Report and is annexed hereto.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Act, 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 31st March, 2016 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 are 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 www.modison.com.

RISK MANAGEMENT

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 Business 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.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal financial 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.

WHISTLE BLOWER/ VIGIL MECHANISM POLICY

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

PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act,2013 ('Act') and Rules made thereunder, your Company has adopted a policy for prevention of sexual harassment at work place and has constituted an Complaint Redressal Committee. During the year, the Company has not received any complaints on sexual harassment under the said Act.

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 2015-16.

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

Mr. Ajay Jain, Chartered Accountant is the Internal Auditor of the Company.

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, 26 May 2016

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	<u>Rs. In Lakhs</u>
• Recurring	14.41
• Total	<u>40.27</u>
• Total R&D Expenses as a percentage of total Turnover	54.68
	0.32%

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 (2015-2016)

i) CIF Value of Imports:	<u>Rs. In Lakhs</u>
ii) Expenditure in Foreign Currency:	1,857.55
iii) Foreign Exchange earned:	173.60
	2,528.99

Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Annexure II)
As on the financial year ended on March 31,2016.
[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the

Companies (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 Fax No.0253-2351126 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	94.57%

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	P h y s i c a l	Total	% of Total Shares	Demat	P h y s i c a l	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	16618165	-	16618165	51.21	16662532	-	16662532	51.35	0.14
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	86918	-	86918	0.27	96918	-	96918	0.30	0.03
e) Banks /FI	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
Sub-Total A(1)	16705083	-	16705083	51.48	16759450	-	16759450	51.65	0.17
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Bank/ FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub- Total (A)(2):	-	-	-	-	-	-	-	-	-

Total Shareholding of Promoters (A)=(A)(1) + (A)(2)	16705083	-	16705083	51.48	16759450	-	16759450	51.65	0.17
B. Public Shareholding									
(1) Institutions									
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	-	-	-	-	(0.15)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	50000	-	50000	0.15	-	-	-	-	(0.15)

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	
(2) Non – Institutions									
a) Bodies Corporate									
i) Indian	845378	-	845378	2.61	862452	-	862452	2.66	0.05
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto 1 lakh	4887925	42070	4929995	15.19	5191128	42070	5233198	16.12	0.93
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	9604103	-	9604103	29.60	9263890	-	9263890	28.55	(1.05)
c) Others (specify)									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
ii) Other Foreign Nationals	-	-	-	-	-	-	-	-	-

iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iv) NRI	315441	-	315441	0.97	331010	-	331010	1.02	0.05
v) Clearing Members / Clearing House	-	-	-	-	-	-	-	-	-
vi) Trusts	-	-	-	-	-	-	-	-	-
vii) Limited Liability Partnership	-	-	-	-	-	-	-	-	-
viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
ix) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub – Total (B)(2)	15652847	42070	15694917	48.37	15648480	42070	15690550	48.35	(0.02)
Total Public Shareholding (B)=(B)(1) + (B)(2)	15702847	42070	15744917	48.52	15648480	42070	15690550	48.35	(0.17)
C. Share held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	32407930	42070	32450000	100.00	32407930	42070	32450000	100.00	-

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 / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
A.Individual							
Girdharilal Modi	7158370	22.06	-	7158370	22.06	-	-
Rajkumar Modi	6701210	20.65	-	6701210	20.65	-	-
Suresh Chandra P Mody	227240	0.70	-	237240	0.73	-	0.03%
Kumar Jay G Modi	1774000	5.47	-	1774000	5.47	-	-
Girdharilal Modi(HUF)	423760	1.31	-	423760	1.31	-	-
Chandramani Devi Modi	10	0.00	-	10	0.00	-	-
Kashiprasad Madanlal Modi	1000	0.00	-	1000	0.00	-	-
Manju Kashiprasad Modi	1000	0.00	-	1000	0.00	-	-
Rashmi R Modi	1000	0.00	-	1000	0.00	-	-
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	-	44367	0.14	-	0.11%
B.Bodies Corporate							
Modison Copper Private Limited	86918	0.27	-	96918	0.30	-	0.03%
Total (A+B)	16705083	51.48	-	16759450	51.65	-	0.17%

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	16705083	51.48	16705083	51.48
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 (-)	29/05/2015 : (+) 5000	0.02	16710083	51.50
	02/07/2015 : (+) 15000	0.05	16725083	51.55
	24/08/2015 : (+) 5000	0.01	16730083	51.56
	23/09/2015 : (+) 6000	0.02	16736083	51.58
	11/11/2015 : (+) 1000	0.00	16737083	51.58
	17/02/2016 : (+) 22367	0.07	16759450	51.65
			16759450	51.65
At the end of the year				

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				
a. At the Beginning of the Year	4660488	14.36	4660488	14.36
b. Changes during the Year	No change during the year			
c. At the end of the year	4660488	14.36	4660488	14.36
OmPrakash Modi				
a. At the Beginning of the Year	710000	2.19	710000	2.19
b. Changes during the Year	Increase by 0.01% during the year			
c. At the end of the year	714000	2.20	714000	2.20
Nirmala Mody				
a. At the Beginning of the Year	625950	1.93	625950	1.93
b. Changes during the Year	Decrease by 0.003% during the year			
c. At the end of the year	624950	1.93	624950	1.93
Lalitadevi Modi				
a. At the Beginning of the Year	508000	1.57	508000	1.57
b. Changes during the Year	Decrease by 0.36% during the year			
c. At the end of the year	392000	1.21	392000	1.21

Sona Goyal a. At the Beginning of the Year b. Changes during the Year c. At the end of the year	500000	1.54	500000	1.54
	No change during the year			
	500000	1.54	500000	1.54
Vijaykumar Modi a. At the Beginning of the Year b. Changes during the Year c. At the end of the year	492000	1.52	492000	1.52
	No change during the year			
	492000	1.52	492000	1.52
Ashish Ramesh Mody a. At the Beginning of the Year b. Changes during the Year c. At the end of the year	316377	0.97	316377	0.97
	No change during the year			
	316377	0.97	316377	0.97
Satish Ramesh Mody a. At the Beginning of the Year b. Changes during the Year c. At the end of the year	313475	0.97	313475	0.97
	No change during the year			
	313475	0.97	313475	0.97
Maheshkumar Mody a. At the Beginning of the Year b. Changes during the Year c. At the end of the year	292000	0.90	292000	0.90
	No change during the year			
	292000	0.90	292000	0.90
Ramesh P Mody a. At the Beginning of the Year b. Changes during the Year c. At the end of the year	249170	0.77	249170	0.77
	No change during 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		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
GIRDHARILAL MADANLAL MODI				
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
SURESHCHANDRA PURUSHOTTAMDAS MODY				
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.)	Increase by 0.03% during the year			
At the end of the year	237240	0.73	237240	0.73
RAJKUMAR MOHANLAL MODI				
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
RANJAN PANCHU GOPAL DASGUPTA				
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

KUMAR JAY GIRDHARILAL MODI				
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
RAMAVTAR NATHUMAL GOENKA				
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
BIBHUTI BHUSHAN SINGH				
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
RITA DILIP BHATIA				
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
ASHOK JATIA				
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

RAKESH SINGH				
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.)	Increase by 0.03% during the year			
At the end of the year	10000	0.03	10000	0.03
RAMESH MANGILAL KOTHARI				
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
DEEPASHREE DADKAR				
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

Rs. In Crores

	Secured Loans excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	26.42	-	-	26.42
ii) Interest due but not paid	NIL	-	-	NIL
iii) Interest accrued but not due	0.03	-	-	0.03
Total (i+ii+iii)	26.45	-	-	26.45

Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	5.75	-	-	5.75
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	20.67	-	-	20.67
ii) Interest due but not paid	NIL	-	-	NIL
iii) Interest accrued but not due	0.03	-	-	0.03
Total (i+ii+iii)	20.70	-	-	20.70

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager: (In Rs.)

Sr. No.	Particulars of Remuneration	Shri G.L Modi, Managing Director
	Gross Salary	
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,33,91,266
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	2,66,236
	(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	3,12,946
	Total (A)	1,39,70,448

Sr. No.	Particulars of Remuneration	Shri Rajkumar Modi, Whole-time Director
	Gross Salary	
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	49,55,959
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	2,62,695
	(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	2,03,331
	Total (A)	54,21,985

Sr. No.	Particulars of Remuneration	Shri Kumar Jay Modi, Whole-time Director
	Gross Salary	
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	28,61,120
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	2,24,915
	(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	1,31,215
	Total (A)	32,17,250

Sr. No.	Particulars of Remuneration	Shri Rakesh Singh, Whole-time Director (02.11.2015 to 31.03.2016)
	Gross Salary	
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	15,63,918
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	18,856
	(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: Provident Fund	8,940
	Total (A)	15,91,714

B. Remuneration to other Directors:

1. Independent Directors

Sr. No.	Particulars of Remuneration	Name of Director				Total Amount Rs.
		Shri. Ranjan Dasgupta	Shri Ramavtar Goenka	Mrs. Rita Bhatia	Mr.Ashok Jatia	Rs. 3,00,000/-
1	Fee for attending Board/Committee Meetings	50,000	1,20,000	70,000	60,000	
2	Commission	-	-	-		
3	Other, please specify.....	-	-	-		
	Total (B)(1)	Rs. 3,00,000/-				

2. Other Non Executive Directors

Sr. No.	Particulars of Remuneration	Name of Director		Total Amount Rs.
		Shri Suresh Mody	Shri B.B. Singh	
	Fee for attending Board/Committee Meetings	50,000	40,000	90,000
	Commission	-	-	-
	Other, please specify.....	-	-	-
	Total (B)(2)= Rs. 90,000/-			
	Total (B)=(B)(1) + (B)(2)= Rs.3,90,000/-			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
(In Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		Shri Rakesh Singh Chief Executive Officer (01.04.2015 to 01.11.2015)
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	25,88,332
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	35,744
	(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: Provident Fund	12,660
	Total (C)	26,36,736

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		Shri Ramesh Kothari Chief Financial Officer
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	16,69,210
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	48,020
	(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: Provident Fund	20,954
	Total (C)	17,38,184
Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		Ms. Deepashree Dadkar Company Secretary
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,75,146
	(b) Value of perquisites under 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: Provident Fund	15,049
	Total (C)	2,90,195

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 2015-2016.****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. Meeting of CSR Committee: 03.02.2016**3. Average net profit of the company for last 3 financial years:**

Average net profit: Rs.13,71,64,615 /-

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

The Company is required to spend Rs.27,43,292/-towards CSR.

5. Details of CSR spend for the financial year:**a) Total amount to be spent for the year:**

Rs.28,19,590 /-

b) Amount unspent, if any :

Nil

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

Sr No.	Projects/ Activities	Locations	Amount outlay (Budget) project Programs wise	Amount spent on the project/ Programs	Cumulative spend upto to the reporting period	Amount spent: Direct/through implementing agency*
			or			
1	Education	Tamil Nadu	Rs.5,00,000/-	Rs.2,50,000/-	Rs.2,50,000/-	Implementing agency
2	Medical	New Delhi,Mumbai	Rs.25,00,000/-	Rs.22,85,000/-	Rs.25,35,000/-	Implementing agency
3	Drinking Water	Rajasthan	Rs.5,00,000/-	Rs.2,59,590/-	Rs.27,94,590/-	Implementing agency
4	Nepal Earthquake	Nepal	-	Rs.25,000/-	Rs.28,19,590/-	Direct

Form AOC-1
ANNEXURE IV

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" : Subsidiaries													(In Rupees)
Sr.no	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before tax	Provision for taxation	Proposed Dividend	% of Shareholding
1	MODISON CONTACTS PRIVATE LIMITED	Not Applicable	Not Applicable	800,000	1,628,062	2,465,348	37,286	NIL	NIL	(24,644)	NIL	NIL	60%

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr.no	Name of Associates/Joint Ventures	1.Latest Audited Balance Sheet Date	2.Shares of Associate/Joint Ventures held by the Company on the year end	3.Description of how there is significant influence	4. Reason why the associate/joint ventyure is not consolidated	5. Networth attributable to shareholding as per latest audited Balance Sheet	6. Profit/ Loss for the year
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Not Applicable as the Company don't have any associates and joint ventures.

G.L.MODI
MANAGING DIRECTOR
SURESH MODY
DIRECTOR

Place: Mumbai
Date: 26 May 2016

RAMESH KOTHARI
CHIEF FINANCIAL OFFICER
DEEPASHREE DADKAR
COMPANY SECRETARY

Form No. MR-3**SECRETARIAL AUDIT REPORT****FOR THE PERIOD 01-04-2015 TO 31-03-2016**

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

To,

The Members,

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** (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 our opinion thereon.

Based on our verification of **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 covering **1st April, 2015 to 31st March, 2016** 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 **MODISON METALS LIMITED** ("the Company") for the audit period **1st April, 2015 to 31st March, 2016** 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, 2015
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009-**Not applicable to the Company during the audit period.**
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- **Not applicable to the Company during the audit period.**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company has not issued any debt securities during the period 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.
- 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 period 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 period under review.**

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to 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. Industries (Development & Regulation) Act, 1951;
3. Labour Laws and other incidental laws;
4. Environment Protection Act, 1986 and other Environmental Laws;
5. Employees State Insurance Act, 1948;
6. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
7. Indian Contract Act, 1872;
8. Minimum Wages Act, 1948;
9. Negotiable Instruments Act, 1881;
10. The Trade Marks Act 1999;
11. The Legal metrology Act, 2009;
12. Acts as prescribed under Shop and Establishments act of various local authorities.

Based on the Compliance Certificates obtained by the Company from the various functional heads and Factory Managers, we relied on the Compliances of the above mentioned statutes.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited (effective up to November 30,2015)
- iii. The revised Listing Agreement entered as specified in the Securities and Exchange Board of India(Listing Obligation & Disclosure Requirement) Regulation ,2015 (effective from December 1,2015)

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

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 the compliance with the provision of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, and the same was sent at least seven days in advance, agenda and detailed notes on agenda were sent at least two days before the date of Meeting, 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.

I further report that the Compliance by the Company of applicable financial laws like Direct & Indirect tax laws, Service tax has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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.

For Ragini Chokshi & Co.

Place : Mumbai
Date : 26 May 2016

Mrs. Bhaviika Jain
(Partner)
C.P.No. 14481
FCS No 35718.

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

The Indian economy demonstrated resilience and clocked a reasonable growth mainly driven by domestic consumption .However world economy continues to charter the uncertain and turbulent terrain and did not help the Indian economy from that perspective. It was coupled with 17 consecutive month of fall in export.

The “METAL” depended Industries were tested for its “METTLE” in 2015-16 .Silver witnessed 5 years low prices ,Copper touched 6 years low and Tungsten touched 5 years low prices as well not helping the revenues and the inventory valuation causes.

The switchgear Industry which is the main industry the company caters to saw a sluggish growth of overall 5%.The Low voltage switchgear Industry grew by 6.5 % and High voltage by merely 1%.

Based on some promising data on 8 core sectors the revival of switchgear Industry and overall manufacturing industry is seems to be on the anvil. Major thrust in infrastructure and significant investment in transmission & distribution segment is likely to propel the switchgear industry auguring well for the company.

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. In addition to this the company intends to broader its horizon and enter into few new products which are complementing the company's ecosystem and cater to non-switchgear market thus enabling the growth potential.

Business Strategy

In order to achieve its strategic goal the company has six 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

Sustained efforts in operational excellence paved the way for optimising the costs in various functions which remained the major catalyst in improved performance of the company.

BY now the institutionalised KPIs (Key performance indicators) in the area of manufacturing, Sales & marketing, Quality, Production, Business development and finance have started giving dividends

Institutionalisation of new operating software has enabled the better integration of all the functions with real time data helping the improvement in overall responsiveness of the system for end to end supply chain. 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.

Capacity expansion

Capacity expansion even during sluggish economy has been company's policy to encash of better acquisition cost of assets and be ready from first go whenever economy revives.

Company also invests in order to remain contemporary as it competes with all global players and it makes conscious efforts to remain in sync with the latest trends in manufacturing processes and system.

The upgradation in refinery is one such step which not only will improve the capacity of the refinery but also ensures the capability upgradation from our ability to make 999 silver to 9999 silver. This is likely to be cornerstone for growth as additional products can be addressed through this capability.

The company invested in making the inspection/quality control through semi automation /automation set up in order to expedite the inspection and also ensure fatigue free working.

As part of our strategic plan company doubled its automatic welding line capacity which will ensure higher value addition and create a niche area of business.

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 & the effort in developing silver powder of various sizes will pave the way for addressing the renewable energy sector. Company invested approximately 1.00% 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 prolonged sluggishness of global economy has made the job very difficult .17 consecutive months of export fall is testimony of the state of global economy. The geopolitical risk in Russia and Turkey has not helped the company where it has major presence. The fall in rouble has compounded the matter. The European economy has not shown any sign of significant revival, another market with good presence for company.

However North America market is the silver lining and has shown good progress during the year. The company expects the momentum to continue negating part of impact due to sluggishness in other international geographies. As of now it is incremental as most of the businesses are development business. Once serial orders commences the company expects exponential increase assuming same North America economic situation

On domestic front company could establish a new vertical of bullion and is expected to mature further. 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. On existing business of electrical contacts the company developed 5 high impact customers who in months to come are likely to give impetus to the overall domestic business. 2 companies are MNCs and hopefully it will help to address global volumes as well.

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. This year company has increased the amount from Rs 1100 to Rs 2100/=.This is in addition to 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.

The trust also supported the treatment of 19 children for heart surgeries in state of the art hospital. The company's commitment is to support the two most important areas of society which is health care and education

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 and are provided access to relevant, sufficient and reliable information on timely basis. 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. The Company do provide timely and accurate disclosure on all material matters.

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 Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31st March, 2016, The Board of the Company comprises ten Directors - Four Executive Directors and six Non-Executive Directors, of whom four 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 31.03.2016

Name of Director	Executive / Non-Executive / Independent	Relationship with Other Directors	Board Meetings attended during the year	Whether attended last AGM	Directorships* including MML)	Committee Position (Including MML)	
						Chairman	Member
Mr. Ranjan Dasgupta –Chairman	Non-Executive & Independent	None	2	Yes	1	2	-
Mr. G. L. Modi - Managing Director	Executive	Father of Mr. Kumar Jay Modi	5	Yes	1	-	1
Mr. Rajkumar Modi - Whole-time Director	Executive	None	3	Yes	1	-	2
Mr.Kumar Jay. Modi- Whole-time Director	Executive	Son of Mr. G.L.Modi	5	Yes	1	-	-
Mr. Suresh Mody	Non-Executive	None	5	Yes	1	-	-
Mr. R A Goenka	Non-Executive & Independent	None	5	Yes	2	-	1
Mr. B.B. Singh	Non-Executive	None	4	Yes	1	-	-
Mrs.Rita Bhatia- Women Director	Non-Executive & Independent	None	3	Yes	1	-	1
Mr.Ashok Jatia (Appointed w.e.f 02.11.2015)	Non-Executive & Independent	None	3	NA	1	-	1
Mr.Rakesh Singh- Whole-time Director (Appointed w.e.f 02.11.2015)	Executive	None	3	NA	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. Kumar Jay Modi and Mr. B.B.Singh 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.

Mr. Rajkumar Modi is proposed to be reappointed as Whole-time Director of the Company at the ensuing Annual General meeting.

Mr.Ashok Jatia is proposed to be appointed as Independent Director of the Company at the ensuing Annual General meeting.

Mr. Rakesh Singh is proposed to be appointed as Whole-time Director of the Company at the ensuing Annual General meeting.

The list containing the details of the Directors seeking appointment/re-appointment at the 33rd Annual General Meeting is given below:-

	Name of the Director	Mr. Kumar Jay Modi	Mr. B.B.Singh	Mr. Rajkumar Modi
i)	Date of birth	05.12.1978	08.02.1956	08.03.1965
ii)	Date of Appointment	01.04.2012	27.10.2014	09.06.1998
iii)	Qualification	B.Com	B.Tech Mechanical	B.Com., MBA
iv)	Expertise in specific functional area	International Sales & Marketing	37 year's of experience in Engineering Industry.	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	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
vii)	Relationship with other Director	Son of Mr.G.L.Modi	None	None

Mr. Ashok Jatia and Mr. Rakesh Singh were appointed as Additional Director w.e.f 02/11/2015.

	Name of the Director	Mr. Ashok Jatia	Mr. Rakesh Singh
i)	Date of birth	29.10.1958	01.03.1968
ii)	Date of Appointment	02.11.2015	02.11.2015
iii)	Qualification	Chartered Accountant, Cost Accountant, Company Secretary and Law Graduate.	BE (Mechanical) with Graduate Diploma in Materials Management
iv)	Expertise in specific functional area	30 years in the field of Chartered Accountancy, Cost Accountancy, Secretarial and legal matters	26 years in various areas of operations

v)	List of other public limited companies (in India) in which outside directorship held	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
vii)	Relationship with other Director	None	None

c) Independent Directors

The Independent Directors of the Company fully meet the requirements laid down under Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.:

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 of Directors , is a person of integrity and possesses relevant expertise and experience;
- who is or was not a promoter of the listed entity or its holding, subsidiary or associate company;
- who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;
- Who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, 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 listed entity, 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 from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- who, neither himself nor whose relative(s)—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the listed entity 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 listed entity or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the listed entity, 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 listed entity; 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 listed entity, 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 listed entity;
- is a material supplier, service provider or customer or a lessor or lessee of the listed entity;
- 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.

None of the Independent Director serves in more than seven listed entities.

d) Performance Evaluation of Directors

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Non Executive Directors. The performance evaluation policy is displayed on the Company’s website i.e; www.modison.com. 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 03rd February, 2016 evaluated the performance of all the Directors on the Board.

The Board of Directors also evaluated the performance of Independent Directors (excluding the Director being evaluated) in their Meeting held on 03rd February, 2016.

e) Separate meetings of the Independent Directors

As required under Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors were held on 03rd February, 2016, 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 of Directors as a whole;
- (ii) reviewed the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
- (iii) assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board of Directors that is necessary for the Board of Directors 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 nature of industry, business model, strategy, operations, functions of the Company & role, rights, and responsibilities of Independent Directors 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.

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 as per Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 and review compliance reports pertaining to all applicable laws. A total of five Board Meetings were held during the year 2015-2016 on the following dates: 27.05.2015, 10.08.2015, 02.11.2015, 03.02.2016 and 09.03.2016.

The Board is apprised and informed of all the important matters relating to the business of the Company including those information as prescribed in Schedule II (Part A &B) of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

The Board of Directors are satisfied with the plans for orderly succession for appointment of Board of Directors and senior management. Also, the Board of Directors has laid down code of conduct for the Board and senior management which is available on the website of the Company. The Company has laid down the procedures for intimating the risk assessment and minimization procedures to the board of Directors and the Board of Directors are responsible for framing, implementing and monitoring the risk management plan for the Company.

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 of Directors, 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 may have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards, 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 investments, subsidiaries, assets which are material in nature and 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 of any regulatory, statutory nature or listing requirements and shareholders' service, such as non-payment of dividend, delay in share transfer etc.

b) GENERAL MEETINGS

Annual General Meetings held during last three years

Financial year	Date	Time	Venue
2012-2013	10.09.2013	11:30 A.M.	Radio Room, Bombay Presidency Radio Club Ltd., Arthur Bunder Road, Colaba, Mumbai.
2013-2014	09.09.2014	11:30 A.M.	
2014-2015	11.08.2015	11:30 A.M.	

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**.

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

The following Special Resolutions were passed at the AGM held on **11.08.2015**.

- (i) Re-appointment and Remuneration of Mr.G.L.Modi, Managing Director of the Company.
- (ii) Re-appointment and Remuneration of Mr.Kumar Jay.Modi, Whole-time Director of the Company.
- (iii) Appointment of Mr.Suresh Mody , Director of the Company as a consultant.
- (iv) Appointment of Mr.Ranjan Dasgupta , Director of the Company as a consultant.
- (v) Appointment of Mr.B.B.Singh , Director of the Company as a consultant.
- (vi) To approve the proposal of delegation of authority to the Board of Directors of the Company to deal with the transactions including material transactions with related parties.

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 31st March, 2016.

6. BOARD COMMITTEES

As mandated by Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has become applicable to the Company with effect from 1st December, 2015, 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 Listed Entities 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 Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year ended 31 March, 2016, 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 Schedule II : Part C of Regulation 18(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b) Composition

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

Name of the Directors	Category	Designation
Mr. Ranjan Dasgupta	Non-Executive and Independent	Chairman
Mr. R A Goenka	Non-Executive and Independent	Member
Mr. Rajkumar Modi	Executive	Member
Mrs. Rita Bhatia	Non-Executive and Independent	Member
Mr. Ashok Jatia (Appointed w.e.f 02/11/2015)	Non-Executive and Independent	Member

Ms. Deepashree Dadkar acts as Secretary of the Audit Committee. The members of the Audit Committee are financially literate and three members has accounting and related financial management expertise. The Representative of Statutory Auditor and Chief Financial Officer are invited 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

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the Financial Statement is correct, sufficient and credible;
- Recommending the appointment, reappointment and terms of appointment of auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing with management the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
 - Matters required to be included in Director's responsibility statement to be included in the Board's Report on terms of clause(c) of sub section (3) of section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - 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) Modified opinion(s) in the 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.
- 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) Scrutiny of inter-corporate loans and investments;
- x) Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi) Evaluation of internal financial controls and risk management systems;
- xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii) 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;
- xiv) Discussion with internal auditors of any significant findings and follow up there on;
- xv) 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.
- xvi) 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.
- xvii) 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.
- xviii) To review the functioning of Whistle Blower Mechanism.
- xix) 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;
- xx) 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.
- vi) Statement of deviations , is any.

f) Audit Committee meetings and attendance

Four Audit Committee Meetings were held during the year ended 31st March, 2016 on 27.05.2015, 10.08.2015, 02.11.2015 and 03.02.2016. The Company complied with the quorum of the Audit Committee Meeting. 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. Rajkumar Modi	3
4	Mrs. Rita Bhatia	2
5	Mr. Ashok Jatia (Appointed w.e.f. 02/11/2015)	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 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 of Directors 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 of Directors;
- iii) Devising a policy on diversity of Board of Directors;
- 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;
- v) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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

Name of the Directors	Category	Designation
Mr. R A Goenka	Non-Executive and Independent	Chairman
Mr. Ranjan Dasgupta	Non-Executive and Independent	Member
Mrs. Rita Bhatia	Non-Executive and Independent	Member
Mr. Ashok Jatia (Appointed w.e.f. 02/11/2015)	Non-Executive and Independent	Member

c) Nomination and Remuneration Committee meetings and attendance

Three Nomination and Remuneration Committee Meetings were held during the year ended 31st March, 2016 on 27.05.2015, 02.11.2015 and 03.02.2016. Details of attendance of each Director at the Nomination and Remuneration Committee Meetings are given below:-

Sr.No	Name	No. of Meetings Attended
1	Mr. R A Goenka	3
2	Mr. Ranjan Dasgupta	1
4	Mrs. Rita Bhatia	2
5	Mr. Ashok Jatia (Appointed w.e.f 02/11/2015)	1

The Chairman was present in the Last Annual General Meeting to answer shareholder's queries.

d) Remuneration Policy

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

e) Remuneration paid to all the Directors

Remuneration of Directors, Sitting Fees, Salary, Perquisites:
 Executive Director: Managing Director / Whole-time Directors.

The Remuneration of Managing Director has been approved by the Central Government and remuneration to the Whole-time 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 / Whole-time 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 / Whole-time Director during the year ended 31st March 2016 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	-	1,33,91,266	2,66,236	2,91,346	21,600	1,39,70,448
Rajkumar Modi, Whole-time Director	-	49,55,959	2,62,695	1,81,731	21,600	54,21,985
Kumar Jay Modi, Whole-time Director	-	28,61,120	2,24,915	1,09,615	21,600	32,17,250
Rakesh Singh, Whole-time Director	-	15,63,918	18,856	-	8,940	15,91,714

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 09.07.2015 to 08.07.2018 and reappointment of Mr. Kumar Jay Modi is for a period of 3 years from 01.04.2015 to 31.03.2018.

The appointment of Whole-time Director, Mr. Rajkumar Modi is for a period of 3 years, from 01.06.2013 to 31.05.2016.

The appointment of Whole-time Director, Mr. Rakesh Singh is for a period of 3 years, from 02.11.2015 to 01.11.2018.

There is no provision for separate payment of severance fee under the resolution appointing the Managing Director and Whole-time Directors. The notice period for termination is not less than three months in writing.

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.2015-16 for rendering professional services.

Mr. Suresh Mody is paid Professional Fees of Rs.10,00,000/- for the F.Y.2015-16 for rendering Professional Services.

Mr. B.B.Singh is paid Professional Fees of Rs.36,00,000/- for the F.Y.2015-16 for rendering Professional Services,.

The above fees is approved by the members in the previous Annual General Meeting held on 11th August,2015.

The details of Sitting Fees paid to Non-Executive Directors for attending Board and Committee Meetings during the year 2015-2016 as recommended by the Board of Directors are given below:

Sr. No.	Name Of Director	Directors Sitting Fees (*) Amount in Rs.
1	Mr. Ranjan Dasgupta	50,000
2	Mr. Suresh Mody	50,000
3	Mr. Ramavtar Goenka	1,20,000
4	Mr. B B Singh	40,000
5	Mrs. Rita Bhatia	70,000
6	Mr. Ashok Jatia	60,000

* 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	2,37,240
Mr. Ramavtar Goenka	1,000
Mr. B B Singh	27,980
Mrs. Rita Bhatia	Nil
Mr. Ashok Jatia	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. Ranjan Dasgupta, Non-Executive and independent Director is the Chairman of the Shareholders' Relationship committee.

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

Ms. Deepashree Dadkar, Company Secretary, is acting as the Compliance Officer of the Committee.

The Committee also noted that no investors/shareholders complaints received as on 31st March 2016.

V. RISK MANAGEMENT COMMITTEE

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

Mr. Rajkumar Modi, Executive and Whole-time Director is the Chairman of the Risk Management Committee. 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
Mr. Raj Kumar Modi	Executive	Chairman
Mr. Kumar Jay Modi	Executive	Member
Mr. Rakesh Singh	Chief Executive Officer & Whole-time Director	Member

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 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 for providing adequate safeguards against victimization of Director or employee or any other person who avail the mechanism and also to provide direct access to the Chairperson of the Audit Committee in exceptional cases.

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 audit committee of the Company also review the financial statements of the subsidiary Company. The minutes of Board of Directors meeting are placed at the Board meeting of the Company.

8. OTHER DISCLOSURES

a) There are no materially related party transactions. Related party transactions are disclosed in Note No. 31 to the financial statement in the Annual Report. The Audit Committee had reviewed and approved the related party transactions as mandatory requirement under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

e) 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 laid down the criteria for granting the omnibus approval in line with the policy of related party transactions which are repetitive in nature. The Audit Committee has reviewed on quarterly basis the details of Related Party Transactions entered into by the Company pursuant to such omnibus approval.

9. MEANS OF COMMUNICATION**a) Quarterly un-audited Financial Results , newspapers wherein results are normally published & Website**

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 of the Company. The Company's website is: www.modison.com. The Company has updated the quarterly results and other requirements 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 31.03.2016.

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 firm of Company Secretaries in practice, 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 firm of Company Secretaries in practice, have no adverse remarks for the year ended 31st March, 2016. The report is self-explanatory.

**12. GENERAL
SHAREHOLDER**
INFORMATION

- a) 33rd AGM Date: 9th August, 2016.
 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: 02/08/2016 to 09/08/2016 (Both days inclusive)
- d) Period of e-voting 06/08/2016 (10.00am) to 08/08/2016 (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: 2015-2016 has been paid to the BSE.
- h) Dividend Payment The Interim dividend declared for the financial year 2015-16 was paid on 30th March 2016. The Board has not recommended any final dividend for the financial year ended 31st March 2016.
- i) Financial Calendar (provisional):
- | | |
|----------------------------------|------------------------------|
| 1 st Quarterly Result | Second week of August 2016 |
| 2 nd Quarterly Result | Second week of November 2016 |
| 3 rd Quarterly Result | Second week of February 2017 |
| Annual Results | Last week of May 2017 |
- 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	Lowest
Apr. 2015	49.90	42.05	29094.61	26897.54
May 2015	44.75	42.00	28071.16	26423.99
June 2015	43.40	40.40	27968.75	26307.07
July 2015	45.00	41.40	28578.33	27416.39
Aug. 2015	50.00	41.00	28417.59	25298.42
Sept. 2015	39.90	37.25	26471.82	24833.54
Oct. 2015	44.50	36.70	27618.14	26168.71
Nov. 2015	51.00	43.00	26824.30	25451.42
Dec. 2015	60.00	48.75	26256.42	24867.73
Jan. 2016	58.00	56.95	26197.27	23839.76
Feb. 2016	51.00	49.20	25002.32	22494.61
Mar. 2016	54.45	42.00	25479.62	23133.18

- 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, 19th Street, Satpur, Nasik – 422 007
Tel: 95-253-2354032 Fax: 95-253-2351126
Email : support@freedomregistry.in
- m) Distribution of Shareholding As on 31st March, 2016

Slab	No. of shareholders		No. of Equity Shares	
	Total	%	Total	%
1-100	1210	31.93	77882	0.24
101-200	536	14.15	97161	0.30
201-500	843	22.25	337108	1.04
501-1000	488	12.88	428175	1.32
1001-5000	473	12.48	1133441	3.49
5001-10000	83	2.19	660208	2.03
10001 & Above	156	4.12	29716025	91.58
Total:	3789	100.00	32450000	100.00

- n) Shareholding Pattern: As on 31st March, 2016

Promoters Holding:
Non-Promoters Holding:

Category	No. of Equity shares	%
Promoters	1,67,59,450	51.65
FII's	-	-
Mutual Funds	-	-
Private Corporate Bodies	8,62,452	2.66
NRIs / OCBs	3,31,010	1.02
Indian Public	1,44,97,088	44.67
Total:	3,24,50,0000	100.00

- 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 31.03.2016 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) Commodity price risk or foreign exchange and hedging activities:

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 Business 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.

u) Compliance Certificate by Auditors:

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is given as an annexure to Directors' Report.

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

As required under Regulation 17 read with Schedule V (D) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board Members and Senior Management Personnel have affirmed compliance with the Company's code of conduct for the year ended March 31st, 2016. 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 : 26 May 2016.

The above Corporate Governance Report has been adopted by the Board of Directors at their meeting held on 26th May 2016.

Mr. G. L. MODI
Managing Director

Place : Mumbai
Date : 26 May 2016

t) 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 31st March 2016 and that to the best of their 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 : 26 May 2016

Auditors' certificate on corporate governance

To

The Members of Modison Metals Limited

We have examined the compliance of conditions of Corporate Governance by Modison Metals Limited ('the Company'), for the year ended on 31 March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1 April 2015 to 30 November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1 December 2015 to 31 March 2016.

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

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

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: 26 May 2016

INDEPENDENT AUDITORS' 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, 2016, 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 Standalone 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 and presentation 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. 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 March, 2016 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 the 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, 2016 ("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, 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 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 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
 - g. With respect to the other matters to be included in the Auditors' 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: 26 May 2016.

Annexure- A referred to in paragraph titled as “Report on other Legal and Regulatory Requirements” of Auditors’ report to the members Modison Metals Limited for the year ended 31 March 2016.

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.
- (c) According to information and explanations gives to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable. 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, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the year. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans, has not made investments, has not provided any guarantees and security to directors or to any other parties during the year. Accordingly, clause 3 (iv) of the Order is not applicable to the Company.
- (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, Service Tax, Excise Duty, Customs Duty, Value Added Tax, 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 become payable.
- (b) According to the records of the Company, there are no dues of Service Tax, Customs Duty, Value Added Tax 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 Statue	Nature of the dues	Amount (Rs)	Financial year to which the amount relates	Forum where dispute is pending
1.	Gujarat Value Added tax Act, 2003	Pending Forms	30,15,144	2011-12	Joint Commissioner of Commercial Tax (Appeals)
2.	Income Tax Act, 1961	Income Tax Dues	46,45,330	2010-11	Commissioner of Income Tax (Appeals)
3.	Central Excise Act, 1944	Excise duty Dues	2,26,398	2006-2007 to 2009-2010	Honorable CESTAT
		Service Tax Dues	22,80,859	2006-2007 to 2011-2012.	Commissioner of Central Excise (Appeals)

- (viii) 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 loan or borrowing from government, financial institutions and has not issued debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and through term loans during the year. Accordingly, clause 3 (ix) of the Order is not applicable to the Company.
- (x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) The company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable to the 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: 26 May 2016.

Annexure- B referred to in paragraph titled as “Report on the Internal Financial Controls under clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013” (“the Act”)

We have audited the internal financial controls over financial reporting of Modison Metals Limited (“the Company”) as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

J.P. Bairagra
Partner
Membership No. 12839

Place: Mumbai
Date: 26 May 2016

BALANCE SHEET AS AT 31 MARCH 2016

Particulars	Note No.	As at 31 March 2016 Rupees	As at 31 March 2015 Rupees
I EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	1	32,450,000	32,450,000
(b) Reserves & Surplus	2	1,010,897,497	941,112,950
(2) Non-current liabilities			
(a) Long - term borrowings	3	405,837	1,775,378
(b) Deferred tax liabilities (Net)	4	83,356,063	81,532,615
(c) Long - term provisions	5	7,200,289	6,301,730
(3) Current liabilities			
(a) Short - term borrowings	6	206,604,560	259,204,539
(b) Trade payables	7	46,082,403	37,870,897
(c) Other current liabilities	8	42,486,528	81,871,840
(d) Short - term provisions	9	15,724,489	32,498,631
TOTAL		1,445,207,666	1,474,618,580
II ASSETS			
(1) Non - current assets			
(a) Fixed assets	10		
(i) Tangible assets		604,905,357	570,408,342
(ii) Intangible assets		2,682,702	3,688,781
(iii) Capital work - in - progress		12,171,957	15,953,167
(b) Non - current investments	11	1,491,740	1,491,740
(c) Long - term loans and advances	12	80,132,914	72,879,477
(2) Current assets			
(a) Inventories	13	399,580,732	450,216,039
(b) Trade receivables	14	288,217,888	305,789,981
(c) Cash and bank balances	15	18,708,747	18,733,737
(d) Short - term loans and advances	16	31,352,537	31,159,509
(e) Other current assets	17	5,963,092	4,297,807
TOTAL		1,445,207,666	1,474,618,580
Contingent Liabilities and commitments	18		

NOTES ON ACCOUNTS
1 to 40

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
DIN: 00027373
SURESH MODY
DIRECTOR
DIN: 00027432
J.P. BAIRAGRA
PARTNER
MEMBERSHIP NO. 12839
RAMESH KOTHARI
CHIEF FINANCIAL OFFICER
DEEPASHREE DADKAR
COMPANY SECRETARY
PLACE : MUMBAI
DATED : 26 MAY 2016
PLACE : MUMBAI
DATED : 26 MAY 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

Particulars	Note No.	For the year ended 31 March 2016	For the year ended 31 March 2015
		Rupees	Rupees
INCOME:			
Revenue from operations	19	1,681,815,057	1,714,923,329
Other income	20	10,290,202	3,209,875
Total Revenue		1,692,105,259	1,718,133,204
EXPENSES:			
Cost of material consumed	21	1,050,014,868	1,277,595,751
Purchase of Stock in Trade	22	9,133,996	10,971,247
Changes in inventories of finished goods and work - in - progress	23	46,983,015	(25,143,713)
Employee benefits expense	24	107,533,277	95,956,567
Finance costs	25	33,476,144	34,738,543
Depreciation & amortization expense (Refer Note No. 10.2)	10	63,735,940	66,269,907
Other Expenses	26	209,361,153	191,291,021
Total Expenses		1,520,238,393	1,651,679,323
Profit before exceptional and extraordinary items & tax		171,866,866	66,453,881
Exceptional Items		-	-
Profit before extraordinary items and tax		171,866,866	66,453,881
Extraordinary Items		-	-
Profit before tax		171,866,866	66,453,881
Tax expense:			
(1) Current tax			
of Current year		62,650,000	21,750,000
of Earlier years		(1,447,186)	36,392
(2) Deferred tax		1,823,448	(1,361,871)
Profit for the year		108,840,604	46,029,360
Earning per equity share:	27		
(1) Basic		3.35	1.42
(2) Diluted		3.35	1.42
(3) Face Value per share		1.00	1.00

NOTES ON ACCOUNTS
1 to 40

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
DIN: 00027373

SURESH MODY
DIRECTOR
DIN: 00027432

J.P. BAIRAGRA
PARTNER
MEMBERSHIP NO. 12839

RAMESH KOTHARI
CHIEF FINANCIAL OFFICER

DEEPASHREE DADKAR
COMPANY SECRETARY

PLACE : MUMBAI
DATED : 26 MAY 2016

PLACE : MUMBAI
DATED : 26 MAY 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	2015-16 RUPEES	2014-15 RUPEES
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Extraordinary Items	171,866,866	66,453,881
Adjustment for:		
Depreciation /Amortisation	63,735,940	66,269,907
Interest income	(2,483,915)	(2,270,765)
Interest expense	25,743,149	28,090,969
(Profit)/Loss on Sale of Assets/Obsolescence of Fixed Assets (Net)	-	(278,055)
Sundry Balances written off/(back) (net)	34,217	(140,912)
Unrealised Exchange Rate Fluctuation (Net)	119,820	4,092,056
	<u>87,149,211</u>	<u>95,763,200</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	259,016,077	162,217,081
ADJUSTMENTS FOR WORKING CAPITAL CHANGES :		
Trade Receivables	18,257,389	15,551,747
Inventories	50,635,307	(9,716,941)
Long - term loans and advances	57,481	(178,552)
Short - term loans and advances	(529,628)	(9,314,890)
Other current assets	(2,971,525)	(1,208)
Short - term provisions	495,889	740,102
Other current liabilities	(36,089,667)	(13,665,505)
Trade payables	7,999,472	8,534,081
Long - term provisions	898,559	583,845
	<u>38,753,277</u>	<u>(7,467,321)</u>
Cash Generated from Operations	297,769,354	154,749,760
Direct Taxes paid	(50,859,513)	(27,612,832)
NET CASH FROM OPERATING ACTIVITIES	<u>246,909,841</u>	<u>127,136,928</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including advances for capital goods	(96,825,477)	(64,691,115)
Investment in Subsidiary Company	-	(1,491,740)
Sale of Fixed Assets	-	1,135,396
Interest Received	3,790,155	1,229,136
	<u>(93,035,322)</u>	<u>(63,818,323)</u>
NET CASH USED IN INVESTING ACTIVITY	<u>(93,035,322)</u>	<u>(63,818,323)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short -Term Borrowings (Net)	(53,177,188)	36,435,388
Repayment of Long -Term Borrowings	(7,009,107)	(23,501,034)
Interest Paid	(25,715,934)	(28,005,977)
Dividend Paid (Inclusive of Dividend Distribution Tax)	(68,348,088)	(47,456,097)
	<u>(154,250,317)</u>	<u>(62,527,720)</u>
NET CASH USED IN FINANCING ACTIVITY	<u>(154,250,317)</u>	<u>(62,527,720)</u>
NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	<u>(375,798)</u>	<u>790,885</u>
OPENING BALANCE OF CASH & CASH EQUIVALENTS	1,284,778	493,893
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	<u>908,980</u>	<u>1,284,778</u>
	<u>(375,798)</u>	<u>790,885</u>

Notes
Closing Balance of Cash & Cash Equivalents (Refer Note No 15)
1 Cash and Cash Equivalents Includes:
BALANCE WITH SCHEDULED BANKS

In Current Account

CASH ON HAND

607,421

301,559

1,086,960

197,818

908,980
1,284,778

2 Interest received excludes interest received for overdue payments from customers of Rs 280,548/- (Previous Year Rs. 113,001/-), 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
DIN: 00027373
SURESH MODY
DIRECTOR
DIN: 00027432
J.P. BAIRAGRA
PARTNER
MEMBERSHIP NO. 12839
RAMESH KOTHARI
CHIEF FINANCIAL OFFICER
DEEPASHREE DADKAR
COMPANY SECRETARY
PLACE : MUMBAI
DATED : 26 MAY 2016
PLACE : MUMBAI
DATED : 26 MAY 2016

NOTES ON ACCOUNTS
Amount in Rs.
1 SHARE CAPITAL

Particulars	As at March 31, 2016	As at March 31, 2015
Authorized Share Capital		
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>
Issued, Subscribed and Fully Paid Up Shares		
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>
Total Issued, Subscribed and Fully Paid Up Share Capital	<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 31-03-2016 :

Particulars	As at 31st March 2016		As at 31st March 2015	
	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	-	-	-	-
Number of shares at the end	32,450,000	32,450,000	32,450,000	32,450,000

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, 2016	No. of shares held	% held as at March 31, 2015
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	4,660,488	14.36%	4,660,488	14.36%
Mr. Kumar Jay Modi	1,774,000	5.47%	1,774,000	5.47%

2 RESERVES & SURPLUS

Particulars	As at March 31, 2016	As at March 31, 2015
Capital Reserve		
At the beginning and at the end of the year	19,087,980	19,087,980
Revaluation Reserve		
Opening Balance	3,627,726	3,628,690
Less : Transfer to General reserve on sale of assets	-	964
Closing Balance	<u>3,627,726</u>	<u>3,627,726</u>
General Reserve		
Opening Balance	111,472,091	113,053,763
Add: Transferred from revaluation reserve on sale of assets	-	964
Less:Carrying Amount (Net of residual value)	-	2,397,568
Less:Adjustment of Deferred Tax	-	814,932
Closing Balance	<u>111,472,091</u>	<u>111,472,091</u>
Surplus		
Opening Balance	806,925,153	790,187,824
Add: Transferred from Statement of Profit and Loss	108,840,604	46,029,360
Amount available for appropriation	<u>915,765,757</u>	<u>836,217,184</u>
Less : Appropriations		
Interim Dividend	32,450,000	-
Proposed Dividend	-	24,337,500
Dividend Tax on Proposed Dividend/Interim Dividend	6,606,057	4,954,531
Closing Balance	<u>876,709,700</u>	<u>806,925,153</u>
Total of Reserves & Surplus	<u>1,010,897,497</u>	<u>941,112,950</u>

NOTES ON ACCOUNTS
Amount in Rs.
3 LONG -TERM BORROWINGS

Particulars	As at March 31, 2016	As at March 31, 2015
Secured Loan		
Term Loans		
From Bank		
Vehicle Loans (Refer Note No 3.1)	405,837	767,544
From Others		
Vehicle Loans (Refer Note No 3.2)	-	1,007,834
	405,837	1,775,378

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 rate @ 9% and is repayable in 36 monthly installment. The loan is secured by hypothecation of Vehicle.

4 DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred tax liabilities		
On account of difference between depreciation as per books and as per Income- tax Act, 1961	87,551,181	84,280,761
	87,551,181	84,280,761
Less: Deferred tax assets		
On account of expenses allowable on payment basis	3,392,176	2,477,439
On account of allowance for bad & doubtful debts	802,942	270,707
	4,195,118	2,748,146
Net Deferred Tax Liabilities	83,356,063	81,532,615

5 LONG-TERM PROVISIONS

Particulars	As at March 31, 2016	As at March 31, 2015
Provisions for Employee Benefits		
Provision for Gratuity	7,200,289	6,301,730
	7,200,289	6,301,730

6 SHORT-TERM BORROWINGS

Particulars	As at March 31, 2016	As at March 31, 2015
Secured Loans		
Other loans & advances (Refer Note No 6.1)		
From Bank- Working Capital Loan		
Foreign Currency Loan	19,927,349	36,932,950
Rupee Loan	169,056,162	211,128,770
Other loans from Bank		
Foreign Currency Loan (Refer Note No. 6.1)	17,621,049	11,142,819
	206,604,560	259,204,539

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.

7 TRADE PAYABLES

Particulars	As at March 31, 2016	As at March 31, 2015
Sundry Creditors For Goods (Refer Note No. 7.1)	19,212,398	13,174,900
Sundry Creditors For Expenses (Refer Note No. 7.1)	26,870,005	24,695,997
	46,082,403	37,870,897

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.

NOTES ON ACCOUNTS
Amount in Rs.
8 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2016	As at March 31, 2015
Current Maturities of Long Term Debt (Refer Note No. 3.1, 3.2)	1,369,541	7,009,107
Interest Accrued but not due on borrowings	348,859	321,644
Unpaid Dividend	567,823	557,478
<u>Other payables</u>		
Sundry Creditors for Capital Goods	3,812,406	1,559,999
Advances From Customers	31,957,238	67,989,112
Statutory Dues Payable	4,390,661	4,394,500
Others	40,000	40,000
	42,486,528	81,871,840

9 SHORT - TERM PROVISIONS

Particulars	As at March 31, 2016	As at March 31, 2015
<u>Provision for Employee Benefits</u>		
Provision for Gratuity	835,126	1,565,093
Provision for Leave Salary	2,739,363	1,513,507
<u>Others</u>		
Provision For Taxation	12,150,000	128,000
Proposed Dividend (Refer Note No. 9.1)	-	24,337,500
Dividend Distribution Tax (Refer Note No. 9.1)	-	4,954,531
	15,724,489	32,498,631

Note No. 9.1: The amount of dividend per share of Rs. Nil (Previous Year Re. 0.75) has been proposed to be distributed to equity shareholders for the year ended 31/03/2016. The total amount of dividend shall be Rs. Nil/- including dividend distribution tax Rs. Nil/- (Previous Year Rs. 2,92,92,031/- including dividend distribution tax Rs.49,54,531/-).

11 NON CURRENT INVESTMENTS

Particulars		As at March 31, 2016		As at March 31, 2015
Non Trade Investments (at cost)	Qty	Amount (Rs.)	Qty	Amount (Rs.)
<u>Unquoted</u>				
<u>In Equity Instruments</u>				
<u>Investment in Subsidiary Company</u>				
Modison Contact Pvt. Ltd- Face Value Rs.100/- per share	4,800	1,491,740	4,800	1,491,740
Aggregate value of Unquoted Investments		1,491,740		1,491,740

12 LONG - TERM LOANS AND ADVANCES

Particulars	As at March 31, 2016	As at March 31, 2015
(Unsecured, Considered Good, unless specified otherwise)		
Capital Advances	53,524,934	47,892,715
Deposits	7,987,198	7,987,198
<u>Other Loans & Advances</u>		
Advance recoverable in cash or kind or for value to be received	303,487	238,968
Advance Tax (Net of Provision for Taxation)	18,152,795	16,474,096
Loans and Advances to Employees	164,500	286,500
	80,132,914	72,879,477

13 INVENTORIES

Particulars	As at March 31, 2016	As at March 31, 2015
Raw Material (Refer Note No.13.1)	53,574,728	58,262,063
Work-in-progress (Refer Note No.13.2)	322,193,575	372,436,846
Finished Goods	10,291,477	7,399,011
Stores & Spares & Consumable Tools (Refer Note No.13.3)	1,822,718	665,389
Scrap	11,200,056	10,832,266
Packing Material	498,178	620,464
	399,580,732	450,216,039

Note No. 13.1 :
Raw Material includes goods in transit Rs.12,362,103/- (Previous Year Rs. Nil).

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.

Note No. 13.3

Stores & Spares includes goods in transit Rs.561,571/- (Previous Year Rs. Nil)

NOTES ON ACCOUNTS
Amount in Rs.
14 TRADE RECEIVABLES

Particulars	As at March 31, 2016	As at March 31, 2015
(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)	13,882,214	32,408,874
Considered Doubtful	2,320,107	818,763
	16,202,321	33,227,637
Less : Allowance for Doubtful Debts	2,320,107	818,763
Others debts considered good	274,335,674	273,381,107
	288,217,888	305,789,981

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, 2016	As at March 31, 2015
Cash & Cash Equivalents		
<u>Balance with Banks</u>		
In Current account	607,421	1,086,960
Cash on Hand	301,559	197,818
<u>Other Bank Balances</u>		
Unpaid Dividend account	567,823	557,478
Margin Money Deposits (Refer Note No.15.1)	17,231,944	16,891,481
	18,708,747	18,733,737

Note No. 15.1:

Margin Money deposits amounting to Rs. 17,231,944/- (Previous Year Rs. 16,891,481/-) 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, 2016	As at March 31, 2015
(Unsecured, Considered Good, unless specified otherwise)		
Deposits	535,837	280,746
<u>Others</u>		
Advance recoverable in cash or kind or for value to be received	7,069,871	11,783,753
Advance Tax	5,066,149	5,066,149
Balance with Central Excise	10,992,349	11,047,397
Advances to suppliers	6,678,476	2,244,291
Loans and Advances to Employees	1,009,855	737,173
	31,352,537	31,159,509

17 OTHER CURRENT ASSETS

Particulars	As at March 31, 2016	As at March 31, 2015
Interest Receivable	1,435,357	2,741,597
Duty Drawback Receivable	4,495,584	1,524,059
Other Receivable	32,151	32,151
	5,963,092	4,297,807

18 CONTINGENT LIABILITIES AND COMMITMENTS
a) CONTINGENT LIABILITIES

Particulars	As at March 31, 2016	As at March 31, 2015
Disputed Income Tax Liabilities	9,680,487	12,393,245
Disputed Sales Tax Liabilities	3,015,144	733,430
Disputed Central Excise & Service Tax Liabilities	2,628,078	1,735,873
Bond issued under Export Promotion Capital Goods Scheme	22,819,000	27,580,188
	38,142,709	42,442,736

b) COMMITMENTS

Particulars	As at March 31, 2016	As at March 31, 2015
Estimated amounts of Contracts remaining to be executed on Capital account and not provided for (Net of Advances)	28,358,152	29,412,368
	28,358,152	29,412,368

NOTES ON ACCOUNTS
10 FIXED ASSETS

Amount in Rs.

PARTICULARS	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	AS ON 01.04.2015	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2016	AS ON 01.04.2015	FOR THE YEAR (Refer Note 10.2)	DEDUCTION DURING THE YEAR (Refer Note 10.2)	AS AT 31.03.2016	AS AT 31.03.2016	AS AT 31.03.2015
TANGIBLES ASSETS :										
Leasehold Land	9,446,414	-	-	9,446,414	-			-	9,446,414	9,446,414
Building (Note No. 10.1)	87,213,213	46,352,716	-	133,565,929	33,248,303	4,459,162	-	37,707,465	95,858,464	53,964,910
Building (SF6 , Plot No. 85 B and Plot No. 85 D&E)	67,441,877	-	-	67,441,877	21,789,138	2,154,412	-	23,943,550	43,498,327	45,652,739
Plant & Machinery	494,165,527	45,057,715	-	539,223,242	271,783,280	33,116,215	-	304,899,495	234,323,747	222,382,247
Plant & Machinery (SF6)	365,226,223	4,044,309	-	369,270,532	142,569,915	16,787,929	-	159,357,844	209,912,688	222,656,308
Furniture & Fixture	11,724,380	322,857	-	12,047,237	8,684,374	863,008	-	9,547,382	2,499,855	3,040,006
Vehicles	26,169,769	-	-	26,169,769	15,620,811	3,424,901	-	19,045,712	7,124,057	10,548,958
Office Equipment	13,236,301	1,012,421	-	14,248,722	10,519,541	1,487,376	-	12,006,917	2,241,805	2,716,760
TOTAL TANGIBLE ASSETS	1,074,623,704	96,790,018	-	1,171,413,722	504,215,362	62,293,003	-	566,508,365	604,905,357	570,408,342
PREVIOUS YEAR	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	
INTANGIBLES ASSETS :										
Computer Software	9,022,421	436,858	-	9,459,279	5,333,640	1,442,937	-	6,776,577	2,682,702	3,688,781
Technical Know How	808,687	-	-	808,687	808,687	-	-	808,687	-	-
TOTAL INTANGIBLE ASSETS	9,831,108	436,858	-	10,267,966	6,142,327	1,442,937	-	7,585,264	2,682,702	3,688,781
PREVIOUS YEAR	9,831,108	-	-	9,831,108	4,337,842	1,804,485	-	6,142,327	3,688,781	
C W I P - TANGIBLE										
Current Year	-	-	-	-	-	-	-	-	12,171,957	15,953,167
Previous Year	-	-	-	-	-	-	-	-	15,953,167	

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:

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. Accordingly, the Company has re-worked depreciation with reference to the estimated economic lives of Fixed Assets prescribed by Schedule II of the Act for the year ended 31st March 2015. In case of any asset whose life is completed before 1st April 2014, the carrying amount (Net of residual value) of Rs. 1,582,637 has been adjusted to the Retained Earnings (after adjusting the impact of deferred tax of Rs. 814,932) in previous financial year.

NOTES ON ACCOUNTS
19 REVENUE FROM OPERATIONS

Particulars	Amount in Rs.	
	Year ended March 31, 2016	Year ended March 31, 2015
Sale of Products (Refer Note No 19.1)	1,826,897,451	1,853,442,494
Sale of Services (Refer Note No 19.2)	13,750	109,123
Other Operating Revenue		
Profit on Hedging Contracts	5,525,346	2,647,405
Duty Draw Back Received	2,971,525	3,283,754
Less : Excise Duty	153,593,015	144,559,447
	1,681,815,057	1,714,923,329

Note No 19.1 : Sale of Products

Particulars	2015-16	2014-2015
Electrical Contacts	1,727,717,987	1,758,535,598
Others	99,179,464	94,906,896
	1,826,897,451	1,853,442,494

Note No 19.2 : Sale of Services

Particulars	2015-16	2014-2015
Job Work	13,750	109,123
	13,750	109,123

20 OTHER INCOME

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest Income (Refer Note No 20.1)	2,620,368	2,383,766
Profit on Sale of Fixed Assets (Net)	-	351,691
Foreign Exchange Fluctuation (Net)	7,134,392	-
Miscellaneous Income	535,442	474,418
	10,290,202	3,209,875

Note No. 20.1 : Break-up of Interest income

Particulars	2015-16	2014-2015
Interest income on deposits with banks	1,791,015	1,647,521
Interest income on deposits with others	692,900	623,244
Interest income from customers	136,453	113,001
	2,620,368	2,383,766

21 COST OF MATERIAL CONSUMED

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
RAW MATERIAL CONSUMED		
Opening Stock of Raw Material	58,262,063	65,855,429
Add : Purchases of Raw Material	1,032,965,430	1,270,002,385
	1,091,227,493	1,335,857,814
Less : Closing Stock of Raw Material	41,212,625	58,262,063
Cost of Materials Consumed (Refer Note No. 21.1)	1,050,014,868	1,277,595,751

Note No. 21.1 : Cost of Material Consumed

Particulars	2015-16	2014-2015
Silver	729,934,305	853,865,928
Tungsten Metal Powder	101,122,594	130,063,138
Copper Chromium/Zirconium Rod/Tube	66,957,973	104,050,111
ETP Cu Flat/Rod/Tube/Strips	43,789,161	56,156,584
Others	108,210,835	133,459,990
	1,050,014,868	1,277,595,751

22 PURCHASE OF STOCK IN TRADE

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Traded goods		
Copper Chromium Zirconium Billet	9,133,996	10,795,497
Silver Bullion	-	175,750
	9,133,996	10,971,247

23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	Year ended		Year ended	
	March 31, 2016		March 31, 2015	
Finished Goods				
Opening Stock	7,399,011		4,311,358	
Closing Stock	10,291,477	(2,892,466)	7,399,011	(3,087,653)
Work-in- Progress				
Opening Stock	372,436,846		356,302,005	
Closing Stock (Refer Note No. 13.2)	322,193,575	50,243,271	372,436,846	(16,134,841)
Scrap				
Opening Stock	10,832,266		4,911,047	
Closing Stock	11,200,056	(367,790)	10,832,266	(5,921,219)
	46,983,015		(25,143,713)	

24 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries & Wages	99,544,442	88,799,614
Contribution to Provident & Other Funds	4,407,191	4,049,981
Staff Welfare Expenses	3,581,644	3,106,972
	107,533,277	95,956,567

NOTES ON ACCOUNTS
25 FINANCE COSTS

Particulars	Year ended	Amount in Rs. Year ended
	March 31, 2016	March 31, 2015
Interest Expense (Refer Note No 25.1)	25,743,149	27,690,969
<u>Other Borrowing Cost</u>		
Bank Finance Cost	3,352,994	3,309,914
Net Gain/Loss on Foreign currency transactions and translation (considered as finance cost)	4,380,001	3,737,660
	33,476,144	34,738,543
Note No. 25.1 : Break-up of Interest Expense	2015-16	2014-15
Interest expense on bank borrowings	25,486,422	27,375,332
Interest expense on vehicle loan from other	256,727	315,637
	25,743,149	27,690,969

26 OTHER EXPENSES

Particulars	Year ended	Year ended
	March 31, 2016	March 31, 2015
Consumption of Stores and Spares	31,505,424	34,335,096
Consumable Tools & Dies	17,964,623	17,284,409
Packing Expenses	3,260,169	3,030,939
Power & fuel	44,053,031	36,415,621
Processing & Labour Charges	36,782,096	30,083,991
<u>Repairs and Maintenance</u>		
Buildings	934,510	1,599,965
Machinery	5,163,442	5,480,742
Others	1,660,072	1,614,739
Rent	1,310,177	912,610
Rates and taxes	749,236	825,132
Advertisement & Sales Promotion	1,336,432	1,175,286
Bank Charges	2,390,113	2,051,206
Commission on Sales	3,907,814	4,357,529
Payment to Statutory Auditor (Refer Note No. 26.1)	605,043	544,309
Cost Audit Fees	50,250	75,000
Electricity Expenses	329,870	319,750
Royalty	1,718,473	1,637,191
Travelling and Conveyance Expenses	5,288,132	5,221,444
Legal & Professional Charges	9,055,544	4,989,395
Telephone & Telex Expenses	1,054,130	1,090,560
Vehicle Expenses	3,094,873	2,788,061
Directors' Fees	390,000	370,000
Insurance	1,068,277	1,314,969
Loss on Obsolescence of Fixed Assets	-	73,636
In house R&D Expenses	1,042,844	1,093,426
CSR Expenditure	2,819,590	1,984,281
Donation	2,510,000	2,510,000
Bad Debts Written off	479,430	363,576
Less: Allowance for Doubtful Debts reversed	-	185,790
Allowance for Doubtful Debts	1,501,344	297,321
Exchange Fluctuation (Net)	-	5,016,452
Miscellaneous Expenses	27,336,214	22,620,175
	209,361,153	191,291,021

Note No. 26.1 : Payment to Statutory Auditors
As Auditor

Audit Fees	260,000	225,000
Tax Audit Fees	125,000	110,000
Limited Review Fees	57,000	69,000
Service Tax *	63,805	49,935

In other capacity

Company law Matters	13,000	6,000
Certification and Other Services	138,000	134,000
Service Tax *	20,056	17,308
	676,861	611,243

* Out of above Service Tax credit of Rs.71,818/- (Previous Year Rs. 66,934/-) has been taken and the same has not been debited to Statement of Profit and Loss.

27 EARNING PER SHARE

Particulars	Year ended	Year ended
	March 31, 2016	March 31, 2015
Profit attributable to Equity Shareholders (Rs.)	108,840,604	46,029,360
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.)	3.35	1.42

NOTES ON ACCOUNTS
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	2015-16	2014-15
Contribution to Provident Fund	3,123,579	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	2015-16		2014-15	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
I	Assumptions				
(a)	Discount Rate	8.00%	8.00%	8.00%	8.00%
(b)	Salary Escalation	4.00%	4.00%	4.00%	4.00%
II	Changes in present value of obligations				
(a)	Present value of obligations as at the beginning of year	1,346,131	10,901,147	1,259,882	9,045,380
(b)	Interest cost	107,690	872,092	100,791	723,630
(c)	Current Service Cost	124,988	828,571	140,151	775,107
(d)	Benefits Paid	-	(358,666)	(410,087)	(492,474)
(e)	Actuarial gain on obligations	54,571	226,847	255,394	849,504
(f)	Present value of obligations as at the end of year	1,633,380	12,469,991	1,346,131	10,901,147
III	Changes in the fair value of plan assets				
(a)	Fair value of plan assets at the beginning of year	925,681	9,336,054	959,840	7,855,737
(b)	Expected return on plan assets	19,742	979,647	88,093	788,043
(c)	Contributions	429,486	1,677,830	287,835	1,184,748
(d)	Benefits paid	-	(358,666)	(410,087)	(492,474)
(e)	Actuarial gain on Plan assets	-	-	-	-
(f)	Fair value of plan assets at the end of year	1,374,910	11,634,865	925,681	9,336,054
IV	Fair value of plan assets				
(a)	Fair value of plan assets at the beginning of year	925,681	9,336,054	959,840	7,855,737
(b)	Actual return on plan assets	19,742	979,647	88,093	788,043
(c)	Contributions	429,486	1,677,830	287,835	1,184,748
(d)	Benefits Paid	-	(358,666)	(410,087)	(492,474)
(e)	Fair value of plan assets at the end of year	1,374,910	11,634,865	925,681	9,336,054
(f)	Funded status	(258,470)	(835,126)	(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)				
V	Actuarial Gain/Loss recognized				
(a)	Actuarial gain for the year -Obligation	(54,571)	(226,847)	(255,394)	(849,504)
(b)	Actuarial gain for the year - plan assets	-	-	-	-
(c)	Total gain for the year	54,571	226,847	255,394	849,504
(d)	Actuarial gain recognized in the year	54,571	226,847	255,394	849,504
VI	The amounts to be recognized in the balance sheet and statements of Profit and Loss				
(a)	Present value of obligations as at the end of the year	1,633,380	12,469,991	1,346,131	10,901,147
(b)	Fair value of plan assets as at the end of the year	1,374,910	11,634,865	925,681	9,336,054
(c)	Funded status	(258,470)	(835,126)	(420,450)	(1,565,093)
(d)	Net (liability)/asset recognized in balance sheet	(258,470)	(835,126)	(420,450)	(1,565,093)
VII	Expenses Recognised in statement of Profit & Loss				
(a)	Current Service cost	124,988	828,571	140,151	775,107
(b)	Interest Cost	107,690	872,092	100,791	723,630
(c)	Expected return on plan assets	(19,742)	(979,647)	(88,093)	(788,043)
(d)	Net Actuarial gain recognised in the year	54,571	226,847	255,394	849,504
(e)	Expenses recognised in statement of Profit & Loss Account	267,507	947,863	408,243	1,560,198

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

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.

Amount in Rs.

Particulars	2015-16		2014-15	
	Within India	Outside India	Within India	Outside India
Segment Revenue	1,431,178,062	260,927,197	1,463,053,735	255,079,469
Segment Assets	1,357,219,810	92,182,975	1,384,533,608	92,833,118
Addition Fixed Assets	97,226,876	-	42,272,514	-

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
31 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 - Subsidiary Company

3. Key Management Personnel

- i) Mr. G. L. Modi Managing Director
- ii) Mr. Rajkumar Modi Whole-time Director
- iii) Mr. Kumar Jay Modi Whole-time Director
- iv) Mr. Rakesh Singh Whole-time Director (w.e.f. 02.11.2015)

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	2015-16	2014-15
			(Rs.)	(Rs.)
1	Mr. G.L. Modi	Remuneration Paid (including Other benefits)	13,970,448	11,677,801
		Purchase of shares of Modison Contacts Pvt Ltd	-	705,850
2	Mr. Rajkumar Modi	Remuneration Paid (including Other benefits)	5,421,985	4,218,816
		Purchase of shares of Modison Contacts Pvt Ltd	-	594,400
3	Mr. Kumar Jay Modi	Rent Paid	192,000	192,000
		Purchase of shares of Modison Contacts Pvt Ltd	-	185,750
		Remuneration Paid (including Other benefits)	3,217,250	1,760,086
4	Mr. Rakesh Singh	Remuneration Paid (including Other benefits) w.e.f. 02.11.2015	1,591,714	-
5	Mrs. Chandramani Devi Modi	Rent Paid	300,000	300,000
6	Modicon Pvt. Ltd.	Purchase of Goods	-	1,105,356
		Sale of Goods	3,309,680	4,474,487
7	Modison Copper Pvt. Ltd.	Purchase of Goods	90,107,595	167,497,811
		Sale of Goods	14,571,165	35,302,243
		Purchase of Fixed assets	-	137,626
		Sale of Fixed assets	-	43,735
		Service Rendered	13,750	86,385
		Service Received	13,785,396	11,364,670
8	Dishah Innovative Solutions Pvt. Ltd.	Purchase of Fixed assets	-	430,476
		Sale of Goods	110,411	551
		Service Received	240,458	119,981
9	Modison (Partnership Firm)	Royalty (incl. Service Tax Rs.2,25,084/- & Swatch Bharat Cess Rs.4097/-, P.Y. Rs. 2,02,356/- & Nil)	1,943,557	1,839,547
10	Modison Engineering Pvt. Ltd.	Sale of Goods	22,406	12,699

(C) Balance at the year end.

S.No.	Related parties	Nature of Transactions	31.03.2016	31.03.2015
1.	Mr. G. L. Modi	Remuneration Payable (Including Gratuity Payable)	4,162,758	3,690,508
2.	Mr. Rajkumar Modi	Remuneration Payable (Including Gratuity Payable)	3,346,596	2,771,431
3.	Mr. Kumar Jay Modi	Remuneration Payable (Including Gratuity Payable)	1,239,993	603,508
4	Mr. Rakesh Singh	Remuneration Payable	211,520	-
5	Disha Innovative Solutions Pvt. Ltd.	Trade Payable	81,668	-

32 VALUE OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED

Amount in Rs.

Particulars	2015-16		2014-15	
	%	Value	%	Value
Raw Material				
Imported	16.66	174,956,338	16.33	208,615,865
Indigenous	83.34	875,058,529	83.67	1,068,979,886
	100.00	1,050,014,868	100.00	1,277,595,751
Stores, Spares & Components				
Imported	11.99	3,778,656	16.53	5,675,207
Indigenous	88.01	27,726,768	83.47	28,659,889
	100.00	31,505,424	100.00	34,335,096

33 VALUE OF IMPORTS ON C.I.F. BASIS

Particulars	2015-16	2014-15
Raw Material	152,294,685	191,465,954
Capital Goods	26,612,335	26,250,117
Components and Spare Parts	6,848,108	6,948,214
Total	185,755,128	224,664,285

34 EXPENDITURE IN FOREIGN CURRENCY

Particulars	2015-16	2014-15
Foreign Travelling (out of the above Rs. Nil/- (Previous year Rs.107,707/-) has been capitalised)	1,028,180	1,301,738
Commission	3,874,305	4,330,159
Traded Goods	9,094,614	10,800,373
Packing Material	2,578	649,286
Interest	771,668	994,938
Others	2,588,321	4,290,752
Total	17,359,666	22,367,246

NOTES ON ACCOUNTS
35 EARNINGS IN FOREIGN CURRENCY

Particulars	2015-16	2014-15
Exports at F.O.B. Value	247,369,552	248,247,645
Freight recovered	5,510,304	4,542,929
Insurance premium recovered	19,019	54,834
Total	252,898,875	252,845,408

36 RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	2015-16	2014-15
Capital Expenditure included in Fixed Assets	1,440,663	14,358,820
Revenue Expenditure included in Employee Benefit	2,984,169	2,728,043
Revenue Expenditure included in Other Expenses	1,042,844	2,280,659

37 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 13,10,177/- (Previous Year: 912,610/-) 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.

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

39 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 segment 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.

- 40 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

FOR AND ON BEHALF OF THE BOARD

G.L. MODI
MANAGING DIRECTOR
DIN: 00027373

SURESH MODY
DIRECTOR
DIN: 00027432

J.P. BAIRAGRA
PARTNER
MEMBERSHIP NO. 12839

RAMESH KOTHARI
CHIEF FINANCIAL OFFICER

DEEPASHREE DADKAR
COMPANY SECRETARY

PLACE : MUMBAI
DATED : 26 MAY 2016

PLACE : MUMBAI
DATED : 26 MAY 2016

NOTES ON ACCOUNTS
30 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 31.03.2016		As on 31.03.2015		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	
Amount Receivable	66,330,622	894,667	56,258,448	841,688	EUR
	27,953.64	297.00	-	-	GBP
	25,824,399	392,587	32,109,174	517,473	USD

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

Particulars	As on 31.03.2016		As on 31.03.2015		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	
Amount Payable	11,485,413	152,165	1,066,365	15,673	EUR
	342,594	3,586	37,974	409	GBP
	7,902,324	118,939	14,832,062	236,634	USD
Loan Liability	17,323,908	260,745	39,234,592	625,951	USD
	20,224,489	267,945	8,841,172	129,941	EURO
Interest accrued but not due	86,250	1,298	48,758	778	USD
	38,711	513	17,104	251	EURO

INDEPENDENT AUDITORS' 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 subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, 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 (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the consolidated 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 the 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 March 2016 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

1. We draw attention to Note No. 12.2 of the consolidated 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 the 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 sub-section 3 of Section 143 of the Act, we report, to the extent applicable, 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 consolidated financial statements have been kept so far as it appears from our examination of those books.
 - 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 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 2016 taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the directors of the Group is disqualified as on 31 March 2016 from being appointed as a director of that Company in terms of sub-section 2 of Section 164 of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A", and
 - g. With respect to the other matters to be included in the Auditors' 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 disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 17(a) to the consolidated 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: 26 May 2016.

Annexure- A referred to in paragraph titled as “Report on the Internal Financial Controls under clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013” (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of Modison Metals Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company (the Holding Company and its subsidiary together referred to as “the Group”) as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

J.P. Bairagra
Partner
Membership No. 12839

Place: Mumbai
Date: 26 May 2016.

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

Particulars	Note No.	As at 31 March 2016 Rupees	As at 31 March 2015 Rupees
I EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	1	32,450,000	32,450,000
(b) Reserves & Surplus	2	1,010,882,693	941,112,189
(2) Minority Interest		971,225	980,586
(3) Non-current liabilities			
(a) Long - term borrowings	3	405,837	1,775,378
(b) Deferred tax liabilities (Net)	4	83,348,964	81,525,516
(c) Long - term provisions	5	7,200,289	6,301,730
(4) Current liabilities			
(a) Short - term borrowings	6	206,604,560	259,204,539
(b) Trade payables	7	46,096,716	37,884,942
(c) Other current liabilities	8	42,486,528	81,871,841
(d) Short - term provisions	9	15,747,462	32,521,604
TOTAL		1,446,194,274	1,475,628,325
II ASSETS			
(1) Non - current assets			
(a) Fixed assets	10		
(i) Tangible assets		604,905,357	570,408,342
(ii) Intangible assets		2,682,702	3,688,781
(iii) Capital work - in - progress		12,171,957	15,953,167
(b) Goodwill on Consolidation	36	20,100	20,100
(c) Long - term loans and advances	11	80,466,475	73,213,038
(2) Current assets			
(a) Inventories	12	399,580,732	450,216,039
(b) Trade receivables	13	288,217,888	305,789,981
(c) Cash and bank balances	14	20,799,087	20,847,213
(d) Short - term loans and advances	15	31,386,884	31,193,857
(e) Other current assets	16	5,963,092	4,297,807
TOTAL		1,446,194,274	1,475,628,325
Contingent Liabilities and commitments	17		

NOTES ON ACCOUNTS
1 to 37

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
DIN: 00027373
SURESH MODY
DIRECTOR
DIN: 00027432
J.P. BAIRAGRA
PARTNER
RAMESH KOTHARI
CHIEF FINANCIAL OFFICER
DEEPASHREE DADKAR
COMPANY SECRETARY
MEMBERSHIP NO. 12839
PLACE : MUMBAI
DATED : 26 MAY 2016
PLACE : MUMBAI
DATED : 26 MAY 2016

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

Particulars	Note No.	For the year ended 31 March 2016	For the year ended 31 March 2015
		Rupees	Rupees
INCOME:			
Revenue from operations	18	1,681,815,057	1,714,923,329
Other income	19	10,290,202	3,209,838
Total Revenue		1,692,105,259	1,718,133,167
EXPENSES:			
Cost of material consumed	20	1,050,014,868	1,277,595,751
Purchase of Stock in Trade	21	9,133,996	10,971,247
Changes in inventories of finished goods and work - in -progress	22	46,983,015	(25,143,713)
Employee benefits expense	23	107,533,277	95,956,567
Finance costs	24	33,476,144	34,738,543
Depreciation & amortization expense	10	63,735,940	66,269,907
Other Expenses	25	209,385,797	191,292,251
Total Expenses		1,520,263,037	1,651,680,553
Profit before exceptional and extraordinary items & tax		171,842,222	66,452,614
Exceptional Items		-	-
Profit before extraordinary items and tax		171,842,222	66,452,614
Extraordinary Items		-	-
Profit before tax		171,842,222	66,452,614
Tax expense:			
(1) Current tax			
of Current year		62,650,000	21,750,000
of Earlier years		(1,448,426)	36,392
(2) Deferred tax		1,823,448	(1,361,871)
		108,817,200	46,028,093
Less: Share of loss attributable to Minority Interest		(9,361)	(507)
Profit for the year		108,826,561	46,028,600
Earning per equity share:	26		
(1) Basic		3.35	1.42
(2) Diluted		3.35	1.42
(3) Face Value per share		1.00	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. BHUWANIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration Number: 101484W
FOR AND ON BEHALF OF THE BOARD
G.L. MODI
MANAGING DIRECTOR
DIN: 00027373
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DEEPASHREE DADKAR
COMPANY SECRETARY
PLACE : MUMBAI
DATED : 26 MAY 2016
PLACE : MUMBAI
DATED : 26 MAY 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	2015-16 RUPEES	2014-15 RUPEES
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Extraordinary Items	171,842,222	66,452,614
Adjustment for:		
Depreciation /Amortisation	63,735,940	66,269,907
Interest income	(2,483,915)	(2,270,765)
Interest expense	25,743,149	28,090,969
(Profit)/Loss on Sale of Assets/Obsolescence of Fixed Assets (Net)	-	(278,055)
Sundry Balances written off/(back) (net)	34,217	(140,874)
Unrealised Exchange Rate Fluctuation (Net)	119,820	4,092,056
	<u>87,149,211</u>	<u>95,763,238</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	258,991,433	162,215,852
ADJUSTMENTS FOR WORKING CAPITAL CHANGES :		
Trade Receivables	18,257,389	15,551,747
Inventories	50,635,307	(9,716,941)
Long - term loans and advances	57,481	(178,552)
Short - term loans and advances	(529,627)	(9,314,890)
Other current assets	(2,971,525)	(1,208)
Short - term provisions	495,889	740,102
Other current liabilities	(36,089,667)	(13,665,504)
Trade payables	7,999,740	8,535,243
Long - term provisions	898,559	583,845
	<u>38,753,546</u>	<u>(7,466,158)</u>
Cash Generated from Operations	297,744,979	154,749,694
Direct Taxes paid	(50,858,273)	(27,612,832)
NET CASH FROM OPERATING ACTIVITIES	<u>246,886,706</u>	<u>127,136,862</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including advances for capital goods	(96,825,477)	(64,691,115)
Acquisition of Subsidiary	-	(1,491,740)
Sale of Fixed Assets	-	1,135,396
Interest Received	3,790,155	1,229,136
	<u>(93,035,322)</u>	<u>(63,818,323)</u>
NET CASH USED IN INVESTING ACTIVITY	<u>(93,035,322)</u>	<u>(63,818,323)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short -Term Borrowings (Net)	(53,177,188)	36,435,388
Repayment of Long -Term Borrowings	(7,009,107)	(23,501,034)
Interest Paid	(25,715,934)	(28,005,978)
Dividend Paid (Inclusive of Dividend Distribution Tax)	(68,348,088)	(47,456,097)
	<u>(154,250,317)</u>	<u>(62,527,721)</u>
NET CASH USED IN FINANCING ACTIVITY	<u>(154,250,317)</u>	<u>(62,527,721)</u>
NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	<u>(398,934)</u>	<u>790,818</u>
OPENING BALANCE OF CASH & CASH EQUIVALENTS	3,398,254	493,893
CASH AND BANK BALANCES ON ACQUISITION OF SUBSIDIARY DURING THE YEAR	-	2,113,543
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	<u>2,999,320</u>	<u>3,398,254</u>
	<u>(398,934)</u>	<u>790,818</u>

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

In Current Account

CASH ON HAND

2,696,316	3,198,821
303,004	199,433
<u>2,999,320</u>	<u>3,398,254</u>

2 Interest received excludes interest received for overdue payments from customers of Rs. 240,548/- (Previous year. Rs 113,001/-), 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
DIN: 00027373
SURESH MODY
DIRECTOR
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PARTNER
MEMBERSHIP NO. 12839
RAMESH KOTHARI
CHIEF FINANCIAL OFFICER
DEEPASHREE DADKAR
COMPANY SECRETARY
PLACE : MUMBAI
DATED : 26 MAY 2016
PLACE : MUMBAI
DATED : 26 MAY 2016

CONSOLIDATED NOTES ON ACCOUNTS
1 SHARE CAPITAL

Particulars	As at March 31, 2016	As at March 31, 2015
Authorized Share Capital		
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>
Issued, Subscribed and Fully Paid Up Shares		
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>
Total Issued, Subscribed and Fully Paid Up Share Capital	<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 31-03-2016 :

Particulars	As at 31st March 2016		As at 31st March 2015	
	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	-	-	-	-
Number of shares at the end	32,450,000	32,450,000	32,450,000	32,450,000

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, 2016	No. of shares held	% held as at March 31, 2015
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	4,660,488	14.36%	4,660,488	14.36%
Mr. Kumar Jay Modi	1,774,000	5.47%	1,774,000	5.47%

2 RESERVES & SURPLUS

Particulars	As at March 31, 2016	As at March 31, 2015
Capital Reserve		
At the beginning and at the end of the year	19,087,980	19,087,980
Revaluation Reserve		
Opening Balance	3,627,726	3,628,690
Less : Transfer to General reserve on sale of assets	-	964
Closing Balance	<u>3,627,726</u>	<u>3,627,726</u>
General Reserve		
Opening Balance	111,472,090	113,053,763
Add: Transferred from revaluation reserve on sale of assets	-	964
Less: Carrying Amount (Net of residual value)	-	2,397,569
Less: Adjustment of Deferred Tax	-	814,932
Closing Balance	<u>111,472,090</u>	<u>111,472,090</u>
Surplus		
Opening Balance	806,924,393	790,187,824
Add: Transferred from Statement of Profit and Loss	108,826,561	46,028,600
Amount available for appropriation	<u>915,750,954</u>	<u>836,216,424</u>
Less : Appropriations		
Interim Dividend	32,450,000	-
Proposed Dividend	-	24,337,500
Dividend Tax on Proposed Dividend/Interim Dividend	6,606,057	4,954,531
Closing Balance	<u>876,694,897</u>	<u>806,924,393</u>
Total of Reserves & Surplus	<u>1,010,882,693</u>	<u>941,112,189</u>

CONSOLIDATED NOTES ON ACCOUNTS
3 LONG-TERM BORROWINGS

Particulars	As at March 31, 2016	As at March 31, 2015
Secured Loan		
Term Loans		
From Bank		
Vehicle Loans (Refer Note No 3.1)	405,837	767,544
From Others		
Vehicle Loans (Refer Note No 3.2)	-	1,007,834
	405,837	1,775,378

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.

4 DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred tax liabilities		
On account of difference between depreciation as per books and as per Income- tax Act, 1961	87,551,181	84,280,761
	87,551,181	84,280,761
Less: Deferred tax assets		
On account of expenses allowable on payment basis	3,399,275	2,484,538
On account of allowance for bad & doubtful debts	802,942	270,707
	4,202,217	2,755,245
Net Deferred Tax Liabilities	83,348,964	81,525,516

5 LONG-TERM PROVISIONS

Particulars	As at March 31, 2016	As at March 31, 2015
Provisions for Employee Benefits		
Provision for Gratuity	7,200,289	6,301,730
	7,200,289	6,301,730

6 SHORT-TERM BORROWINGS

Particulars	As at March 31, 2016	As at March 31, 2015
Secured Loans		
Other loans & advances (Refer Note No 6.1)		
From Bank- Working Capital Loan		
Foreign Currency Loan	19,927,349	36,932,950
Rupee Loan	169,056,162	211,128,770
Other loans from Bank		
Foreign Currency Loan (Refer Note No. 6.1)	17,621,049	11,142,819
	206,604,560	259,204,539

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.

7 TRADE PAYABLES

Particulars	As at March 31, 2016	As at March 31, 2015
Sundry Creditors For Goods (Refer Note No. 7.1)	19,212,398	13,174,900
Sundry Creditors For Expenses (Refer Note No. 7.1)	26,884,318	24,710,042
	46,096,716	37,884,942

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.

8 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2016	As at March 31, 2015
Current Maturities of Long Term Debt (Refer Note No. 3.1 & 3.2)	1,369,541	7,009,107
Interest Accrued but not due on borrowings	348,859	321,644
Unpaid Dividend	567,823	557,478
Other payables		
Sundry Creditors for Capital Goods	3,812,406	1,559,999
Advances From Customers	31,957,238	67,989,113
Statutory Dues Payable	4,390,661	4,394,500
Others	40,000	40,000
	42,486,528	81,871,841

CONSOLIDATED NOTES ON ACCOUNTS
9 SHORT - TERM PROVISIONS

Particulars	As at March 31, 2016	As at March 31, 2015
<u>Provision for Employee Benefits</u>		
Provision for Gratuity	858,099	1,588,066
Provision for Leave Salary	2,739,363	1,513,507
<u>Others</u>		
Provision For Taxation	12,150,000	128,000
Proposed Dividend (Refer Note No. 9.1)	-	24,337,500
Dividend Distribution Tax (Refer Note No. 9.1)	-	4,954,531
	15,747,462	32,521,604

Note No. 9.1: The amount of dividend per share of Rs. Nil (Previous Year Re. 0.75) has been proposed to be distributed to equity shareholders for the year ended 31/03/2016. The total amount of dividend shall be Rs.Nil/- including dividend distribution tax Rs. Nil/- (Previous Year Rs. 2,92,92,031/- including dividend distribution tax Rs.49,54,531/-).

11 LONG - TERM LOANS AND ADVANCES

Particulars	As at March 31, 2016	As at March 31, 2015
(Unsecured, Considered Good, unless specified otherwise)		
Capital Advances	53,524,934	47,892,715
Deposits	7,987,198	7,987,198
<u>Other Loans & Advances</u>		
Advance recoverable in cash or kind or for value to be received	303,487	238,968
MAT Credit Entitlement	333,561	333,561
Advance Tax (Net of Provision for Taxation)	18,152,795	16,474,096
Loans and Advances to Employees	164,500	286,500
	80,466,475	73,213,038

12 INVENTORIES

Particulars	As at March 31, 2016	As at March 31, 2015
Raw Material (Refer Note 12.1)	53,574,728	58,262,063
Work-in-progress (Refer Note No.12.2)	322,193,575	372,436,846
Finished Goods	10,291,477	7,399,011
Stores & Spares & Consumable Tools (Refer Note 12.3)	1,822,718	665,389
Scrap	11,200,056	10,832,266
Packing Material	498,178	620,464
	399,580,732	450,216,039

Note No. 12.1 :

Raw Material includes goods in transit Rs.12,362,103/-(Previous Year Rs. Nil).

Note No. 12.2

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.

Note No. 12.3

Stores & Spares includes goods in transit Rs.561,571/- (Previous Year Rs. Nil)

13 TRADE RECEIVABLES

Particulars	As at March 31, 2016	As at March 31, 2015
(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)	13,882,214	32,408,874
Considered Doubtful	2,320,107	818,763
	16,202,321	33,227,637
Less : Allowance for Doubtful Debts	2,320,107	818,763
Others debts considered good	274,335,674	32,408,874
	288,217,888	305,789,981

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

CONSOLIDATED NOTES ON ACCOUNTS
14 CASH & BANK BALANCES

Particulars	As at March 31, 2016	As at March 31, 2015
Cash & Cash Equivalents		
<u>Balance with Banks</u>		
In Current account	2,696,316	3,198,821
Cash on Hand	303,004	199,433
<u>Other Bank Balances</u>		
Unpaid Dividend account	567,823	557,478
Margin Money Deposits (Refer Note No.14.1)	17,231,944	16,891,481
	20,799,087	20,847,213

Note No. 14.1:

Margin Money deposits amounting to Rs. 17,231,944/- (Previous Year Rs. 16,891,481/-) are lying with Bank towards Bank Guarantees, Forward Margin Buyers Credit and Letters of Credit.

15 SHORT TERM LOANS & ADVANCES

Particulars	As at March 31, 2016	As at March 31, 2015
(Unsecured, Considered Good, unless specified otherwise)		
Deposits	535,837	280,746
<u>Others</u>		
Advance recoverable in cash or kind or for value to be received	7,069,870	11,783,753
Advance Tax	5,100,497	5,100,497
Balance with Central Excise	10,992,349	11,047,397
Advances to suppliers	6,678,476	2,244,291
Loans and Advances to Employees	1,009,855	737,173
	31,386,884	31,193,857

16 OTHER CURRENT ASSETS

Particulars	As at March 31, 2016	As at March 31, 2015
Interest Receivable	1,435,357	2,741,597
Duty Drawback Receivable	4,495,584	1,524,059
Other Receivable	32,151	32,151
	5,963,092	4,297,807

17 CONTINGENT LIABILITIES AND COMMITMENTS
a) CONTINGENT LIABILITIES

Particulars	As at March 31, 2016	As at March 31, 2015
Disputed Income Tax Liabilities	9,680,487	12,393,245
Disputed Sales Tax Liabilities	3,015,144	733,430
Disputed Central Excise & Service Tax Liabilities	2,628,078	1,735,873
Bond issued under Export Promotion Capital Goods Scheme	22,819,000	27,580,188
	38,142,709	42,442,736

b) COMMITMENTS

Particulars	As at March 31, 2016	As at March 31, 2015
Estimated amounts of Contracts remaining to be executed on Capital account and not provided for (Net of Advances)	28,358,152	29,412,368
	28,358,152	29,412,368

NOTES ON ACCOUNTS
10 FIXED ASSETS

Amount in Rs.

PARTICULARS	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	AS ON 01.04.2015	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2016	AS ON 01.04.2015	FOR THE YEAR (Refer Note 10.2)	DEDUCTION DURING THE YEAR (Refer Note No 10.2)	AS AT 31.03.2016	AS AT 31.03.2016	AS AT 31.03.2015
TANGIBLES ASSETS :										
Leasehold Land	9,446,414	-	-	9,446,414	-	-	-	-	9,446,414	9,446,414
Building (Note No. 10.1)	87,213,213	46,352,716	-	133,565,929	33,248,303	4,459,162	-	37,707,465	95,858,464	53,964,910
Building (SF6 , Plot No. 85 B and Plot No. 85 D&E)	67,441,877	-	-	67,441,877	21,789,138	2,154,412	-	23,943,550	43,498,327	45,652,739
Plant & Machinery	494,165,527	45,057,715	-	539,223,242	271,783,280	33,116,215	-	304,899,495	234,323,747	222,382,247
Plant & Machinery (SF6)	365,226,223	4,044,309	-	369,270,532	142,569,915	16,787,929	-	159,357,844	209,912,688	222,656,308
Furniture & Fixture	11,724,380	322,857	-	12,047,237	8,684,374	863,008	-	9,547,382	2,499,855	3,040,006
Vehicles	26,169,769	-	-	26,169,769	15,620,811	3,424,901	-	19,045,712	7,124,057	10,548,958
Office Equipment	13,236,301	1,012,421	-	14,248,722	10,519,541	1,487,376	-	12,006,917	2,241,805	2,716,760
TOTAL TANGIBLE ASSETS	1,074,623,704	96,790,018	-	1,171,413,722	504,215,362	62,293,003	-	566,508,365	604,905,357	570,408,342
PREVIOUS YEAR	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	
INTANGIBLES ASSETS :										
Computer Software	9,022,421	436,858	-	9,459,279	5,333,640	1,442,937	-	6,776,577	2,682,702	3,688,781
Technical Know How	808,687	-	-	808,687	808,687	-	-	808,687	-	-
TOTAL INTANGIBLE ASSETS	9,831,108	436,858	-	10,267,966	6,142,327	1,442,937	-	7,585,264	2,682,702	3,688,781
PREVIOUS YEAR	9,831,108	-	-	9,831,108	4,337,842	1,804,485	-	6,142,327	3,688,781	
C W I P - TANGIBLE										
Current Year	-	-	-	-	-	-	-	-	12,171,957	15,953,167
Previous Year	-	-	-	-	-	-	-	-	15,953,167	

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

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. Accordingly, the Company has re-worked depreciation with reference to the estimated economic lives of Fixed Assets prescribed by Schedule II of the Act for the year ended 31st March 2015. In case of any asset whose life is completed before 1st April 2014, the carrying amount (Net of residual value) of Rs. 1,582,637 has been adjusted to the Retained Earnings (after adjusting the impact of deferred tax of Rs. 814,932) in previous financial year.

CONSOLIDATED NOTES ON ACCOUNTS
18 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Sale of Products (Refer Note No 18.1)	1,826,897,451	1,853,442,494
Sale of Services (Refer Note No 18.2)	13,750	109,123
<u>Other Operating Revenue</u>		
Profit on Hedging Contracts	5,525,346	2,647,405
Duty Draw Back Received	2,971,525	3,283,754
Less : Excise Duty	153,593,015	144,559,447
	1,681,815,057	1,714,923,329
Note No 18.1 : Sale of Products		
Particulars	2015-2016	2014-2015
Electrical Contacts	1,727,717,987	1,758,535,598
Others	99,179,464	94,906,896
	1,826,897,451	1,853,442,494
Note No 18.2 : Sale of Services		
Particulars	2015-2016	2014-2015
Job Work	13,750	109,123
	13,750	109,123

19 OTHER INCOME

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest Income (Refer Note No 19.1)	2,620,368	2,383,766
Profit on Sale of Fixed Assets (Net)		351,691
Foreign Exchange Fluctuation (Net)	7,134,392	
Miscellaneous Income	535,442	474,380
	10,290,202	3,209,837
Note No. 19.1 : Break-up of Interest income		
Particulars	2015-16	2014-2015
Interest income on deposits with banks	1,791,015	1,647,521
Interest income on deposits with others	692,900	623,244
Interest income from customers	136,453	113,001
	2,620,368	2,383,766

20 COST OF MATERIAL CONSUMED

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
RAW MATERIAL CONSUMED		
Opening Stock of Raw Material	58,262,063	65,855,429
Add : Purchases of Raw Material	1,032,965,430	1,270,002,385
	1,091,227,493	1,335,857,814
Less : Closing Stock of Raw Material	41,212,625	58,262,063
Cost of Materials Consumed (Refer Note No. 20.1)	1,050,014,868	1,277,595,751
Note No. 20.1 : Cost of Material Consumed		
Particulars	2015-2016	2014-2015
Silver	729,934,305	853,865,928
Tungsten Metal Powder	101,122,594	130,063,138
Copper Chromium/Zirconium Rod/Tube	66,957,973	104,050,111
ETP Cu Flat/Rod/Tube/Strips	43,789,161	56,156,584
Others	108,210,835	133,459,990
	1,050,014,868	1,277,595,751

21 PURCHASE OF STOCK IN TRADE

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<u>Traded goods</u>		
Copper Chromium Zirconium Billet	9,133,996	10,795,497
Silver Bullion	-	175,750
	9,133,996	10,971,247

22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Amount in Rs.
Finished Goods			
Opening Stock	7,399,011	4,311,358	
Closing Stock	10,291,477	7,399,011	(3,087,653)
Work-in- Progress			
Opening Stock	372,436,846	356,302,005	
Closing Stock (Refer Note No. 12.2)	322,193,575	372,436,846	(16,134,841)
Scrap			
Opening Stock	10,832,266	4,911,047	
Closing Stock	11,200,056	10,832,266	(5,921,219)
	46,983,015	(25,143,713)	

23 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries & Wages	99,544,442	88,799,614
Contribution to Provident & Other Funds	4,407,191	4,049,981
Staff Welfare Expenses	3,581,644	3,106,972
	107,533,277	95,956,567

CONSOLIDATED NOTES ON ACCOUNTS
24 FINANCE COSTS

Particulars	Year ended	Year ended
	March 31, 2016	March 31, 2015
Interest Expense (Refer Note No 24.1)	25,743,149	28,090,969
<u>Other Borrowing Cost</u>		
Bank Finance Cost	3,352,994	3,309,914
Net Gain/Loss on Foreign currency transactions and translation (considered as finance cost)	4,380,001	3,337,660
	33,476,144	34,738,543
Note No. 24.1 : Break-up of Interest Expense	2015-2016	2014-2015
Interest expense on bank borrowings	25,486,422	27,775,332
Interest expense on vehicle loan from other	256,727	315,637
	25,743,149	28,090,969

25 OTHER EXPENSES

Particulars	Amount in Rs.	
	Year ended	Year ended
	March 31, 2016	March 31, 2015
Consumption of Stores and Spares	31,505,424	34,335,096
Consumable Tools & Dies	17,964,623	17,284,409
Packing Expenses	3,260,169	3,030,939
Power & fuel	44,053,031	36,415,621
Processing & Labour Charges	36,782,096	30,083,991
<u>Repairs and Maintenance</u>		
Buildings	934,510	1,599,965
Machinery	5,163,442	5,480,742
Others	1,660,072	1,614,739
Rent	1,310,177	912,610
Rates and taxes	751,736	825,132
Advertisement & Sales Promotion	1,336,432	1,175,286
Bank Charges	2,390,113	2,051,206
Commission on Sales	3,907,814	4,357,529
Payment to Statutory Auditor (Refer Note No. 25.1)	619,356	545,472
Cost Audit Fees	50,250	75,000
Electricity Expenses	329,870	319,750
Royalty	1,718,473	1,637,191
Travelling and Conveyance Expenses	5,288,132	5,221,444
Legal & Professional Charges	9,055,544	4,989,395
Telephone & Telex Expenses	1,054,130	1,090,560
Vehicle Expenses	3,094,873	2,788,061
Directors' Fees	390,000	370,000
Insurance	1,068,277	1,314,969
Loss on Obsolescence of Fixed Assets	-	73,636
In house R&D Expenses	1,042,844	1,093,426
CSR Expenditure	2,819,590	1,984,281
Donation	2,510,000	2,510,000
Bad Debts Written off	479,430	-
Less: Allowance for Doubtful Debts reversed	-	479,430
Allowance for Doubtful Debts	1,501,344	185,790
Exchange Fluctuation (Net)	-	5,016,452
Miscellaneous Expenses	27,344,045	22,620,242
	209,385,797	191,292,251

Note No. 25.1 : Payment to Statutory Auditors
As Auditor

Audit Fees	272,500	226,035
Tax Audit Fees	125,000	110,000
Limited Review Fees	57,000	69,000
Service Tax *	65,618	50,063

In other capacity

Company law Matters	13,000	6,000
Certification and Other Services	138,000	134,000
Service Tax *	20,056	17,308
	691,174	612,406

* Out of above Service Tax credit of Rs.71,818/- (Previous year Rs. 66,934) has been taken and the same has not been debited to Statement of Profit and Loss.

26 EARNING PER SHARE

Particulars	Year ended	Year ended
	March 31, 2016	March 31, 2015
Profit attributable to Equity Shareholders (Rs.)	108,826,561	46,028,600
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.)	3.35	1.42

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	2015-16	2014-15
Contribution to Provident Fund	3,123,579	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	2015-16		2014-15	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
I	Assumptions				
(a)	Discount Rate	8.00%	8.00%	8.00%	8.00%
(b)	Salary Escalation	4.00%	4.00%	4.00%	4.00%
II	Changes in present value of obligations				
(a)	Present value of obligations as at the beginning of year	1,346,131	10,901,147	1,259,882	9,045,380
(b)	Interest cost	107,690	872,092	100,791	723,630
(c)	Current Service Cost	124,988	828,571	140,151	775,107
(d)	Benefits Paid	-	(358,666)	(410,087)	(492,474)
(e)	Actuarial gain on obligations	54,571	226,847	255,394	849,504
(f)	Present value of obligations as at the end of year	1,633,380	12,469,991	1,346,131	10,901,147
III	Changes in the fair value of plan assets				
(a)	Fair value of plan assets at the beginning of year	925,681	9,336,054	959,840	7,855,737
(b)	Expected return on plan assets	19,742	979,647	88,093	788,043
(c)	Contributions	429,486	1,677,830	287,835	1,184,748
(d)	Benefits paid	-	(358,666)	(410,087)	(492,474)
(e)	Actuarial gain on Plan assets	-	-	-	-
(f)	Fair value of plan assets at the end of year	1,374,910	11,634,865	925,681	9,336,054
IV	Fair value of plan assets				
(a)	Fair value of plan assets at the beginning of year	925,681	9,336,054	959,840	7,855,737
(b)	Actual return on plan assets	19,742	979,647	88,093	788,043
(c)	Contributions	429,486	1,677,830	287,835	1,184,748
(d)	Benefits Paid	-	(358,666)	(410,087)	(492,474)
(e)	Fair value of plan assets at the end of year	1,374,910	11,634,865	925,681	9,336,054
(f)	Funded status	(258,470)	(835,126)	(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)				
V	Actuarial Gain/Loss recognized				
(a)	Actuarial gain for the year -Obligation	(54,571)	(226,847)	(255,394)	(849,504)
(b)	Actuarial gain for the year - plan assets	-	-	-	-
(c)	Total gain for the year	54,571	226,847	255,394	849,504
(d)	Actuarial gain recognized in the year	54,571	226,847	255,394	849,504
VI	The amounts to be recognized in the balance sheet and statements of Profit and Loss				
(a)	Present value of obligations as at the end of the year	1,633,380	12,469,991	1,346,131	10,901,147
(b)	Fair value of plan assets as at the end of the year	1,374,910	11,634,865	925,681	9,336,054
(c)	Funded status	(258,470)	(835,126)	(420,450)	(1,565,093)
(d)	Net (liability)/asset recognized in balance sheet	(258,470)	(835,126)	(420,450)	(1,565,093)
VII	Expenses Recognised in statement of Profit & Loss				
(a)	Current Service cost	124,988	828,571	140,151	775,107
(b)	Interest Cost	107,690	872,092	100,791	723,630
(c)	Expected return on plan assets	(19,742)	(979,647)	(88,093)	(788,043)
(d)	Net Actuarial gain recognised in the year	54,571	226,847	255,394	849,504
(e)	Expenses recognised in statement of Profit & Loss Account	267,507	947,863	408,243	1,560,198

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

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	2015-16		2014-15	
	Within India	Outside India	Within India	Outside India
Segment Revenue	1,431,178,062	260,927,197	1,463,053,698	255,079,469
Segment Assets	1,358,213,517	92,182,975	1,385,550,453	92,833,118
Addition Fixed Assets	97,226,876	-	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 Whole-time Director
- Mr. Kumar Jay Modi Whole-time Director
- Mr. Rakesh Singh Whole-time Director (w.e.f 02.11.2015)

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	2015-16	2014-15
			(Rs.)	(Rs.)
1	Mr. G.L. Modi	Remuneration Paid (including Other benefits)	13,970,448	11,677,801
		Purchase of shares of Modison Contacts Pvt Ltd	-	705,850
2	Mr. Rajkumar Modi	Remuneration Paid (including Other benefits)	5,421,985	4,218,816
		Purchase of shares of Modison Contacts Pvt Ltd	-	594,400
3	Mr. Kumar Jay Modi	Rent Paid	192,000	192,000
		Purchase of shares of Modison Contacts Pvt Ltd	-	185,750
		Remuneration Paid (including Other benefits)	3,217,250	1,760,086
4	Mr. Rakesh Singh	Remuneration Paid (including Other benefits) w.e.f. 02.11.2015	1,591,714	-
5	Mrs. Chandramani Devi Modi	Rent Paid	300,000	300,000
6	Modicon Pvt. Ltd.	Purchase of Goods	-	1,105,356
		Sale of Goods	3,309,680	4,474,487
7	Modison Copper Pvt. Ltd.	Purchase of Goods	90,107,595	167,497,811
		Sale of Goods	14,571,165	35,302,243
		Purchase of Fixed assets	-	137,626
		Sale of Fixed assets	-	43,735
		Service Rendered	13,750	86,385
		Service Received	13,785,396	11,364,670
8	Dishah Innovative Solutions Pvt. Ltd.	Purchase of Fixed assets	-	430,476
		Sale of Goods	110,411	551
		Service Received	240,458	119,981
9	Modison (Partnership Firm)	Royalty (incl. Service Tax Rs.2,25,084/- & Swatch Bharat Cess Rs.4,097/-, P.Y. Rs. 2,02,356/- & Nil)	1,943,557	1,839,547
10	Modison Engineering Pvt. Ltd.	Sale of Goods	22,406	12,699

(C) Balance at the year end.

S.No.	Related parties	Nature of Transactions	31.03.2016	31.03.2015
1.	Mr. G. L. Modi	Remuneration Payable (Including Gratuity Payable)	4,162,758	3,690,508
2.	Mr. Rajkumar Modi	Remuneration Payable (Including Gratuity Payable)	3,346,596	2,771,431
3.	Mr. Kumar Jay Modi	Remuneration Payable (Including Gratuity Payable)	1,239,993	603,508
4	Mr. Rakesh Singh	Remuneration Payable	211,520	-
5	Disha Innovative Solutions Pvt. Ltd.	Trade Payable	81,668	-

32 RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	2015-16	2014-15
Capital Expenditure included in Fixed Assets	1,440,663	14,358,820
Revenue Expenditure included in Employee Benefit	2,984,169	2,728,043
Revenue Expenditure included in Other Expenses	1,042,844	2,280,659

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 Lease and License basis. The aggregate lease rentals of Rs 13,10,177/- (Previous Year: 912,610/-) 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.

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 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.

36 Goodwill on consolidation represents goodwill created on acquisition of subsidiary.

37 The company acquired Modison Contacts Private Limited as a subsidiary company on March 05, 2015. Hence, previous year's figures are not comparable.

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
DIN: 00027373

SURESH MODY
DIRECTOR
DIN: 00027432

J.P. BAIRAGRA
PARTNER
MEMBERSHIP NO. 12839

RAMESH KOTHARI
CHIEF FINANCIAL OFFICE

DEEPASHREE DADKAR
COMPANY SECRETARY

PLACE : MUMBAI
DATED : 26 MAY 2016

PLACE : MUMBAI
DATED : 26 MAY 2016

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 31.03.2016		As on 31.03.2015		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	
Amount Receivable	66,330,622	894,667	56,258,448	841,688	EUR
	27,953.64	297.00	-	-	GBP
	25,824,399	392,587	32,109,174	517,473	USD

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

Particulars	As on 31.03.2016		As on 31.03.2015		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	
Amount Payable	11,485,413	152,165	1,066,365	15,673	EUR
	342,594	3,586	37,974	409	GBP
	7,902,324	118,939	14,832,062	236,634	USD
Loan Liability	17,323,908	260,745	39,234,592	625,951	USD
	20,224,489	267,945	8,841,172	129,941	EUR
Interest accrued but not due	86,250	1,298	48,758	778	USD
	38,711	513	17,104	251	EUR