



ANNUAL REPORT: 2016-2017

ANNUAL REPORT: 2016-17

BOARD OF DIRECTORS:

ASHOK JATIA

Chairman

G.L. MODI

Managing Director

RAJKUMAR MODI

Whole-time Director

KUMAR JAY MODI

Whole-time Director

RAKESH S. SINGH

Whole-time Director

SURESH MODY

R.A. GOENKA

B.B. SINGH

RITA BHATIA

Women Director

DEEPASHREE MAKARAND DADKAR

Company Secretary

AUDITORS:

M L BHUWANIA AND CO LLP

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

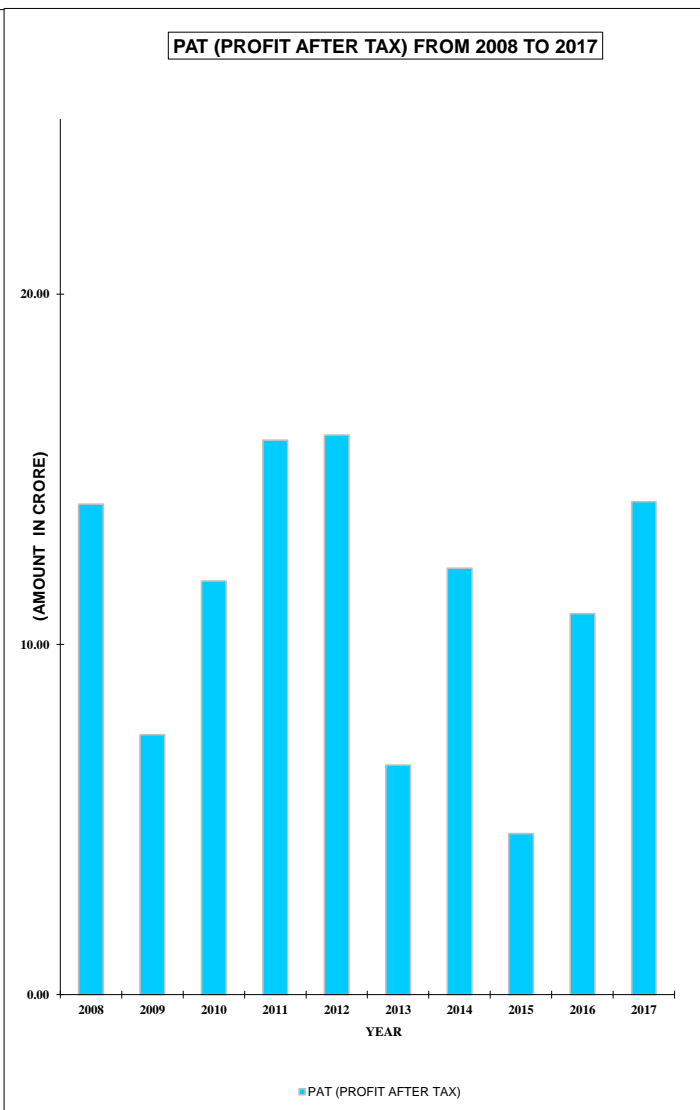
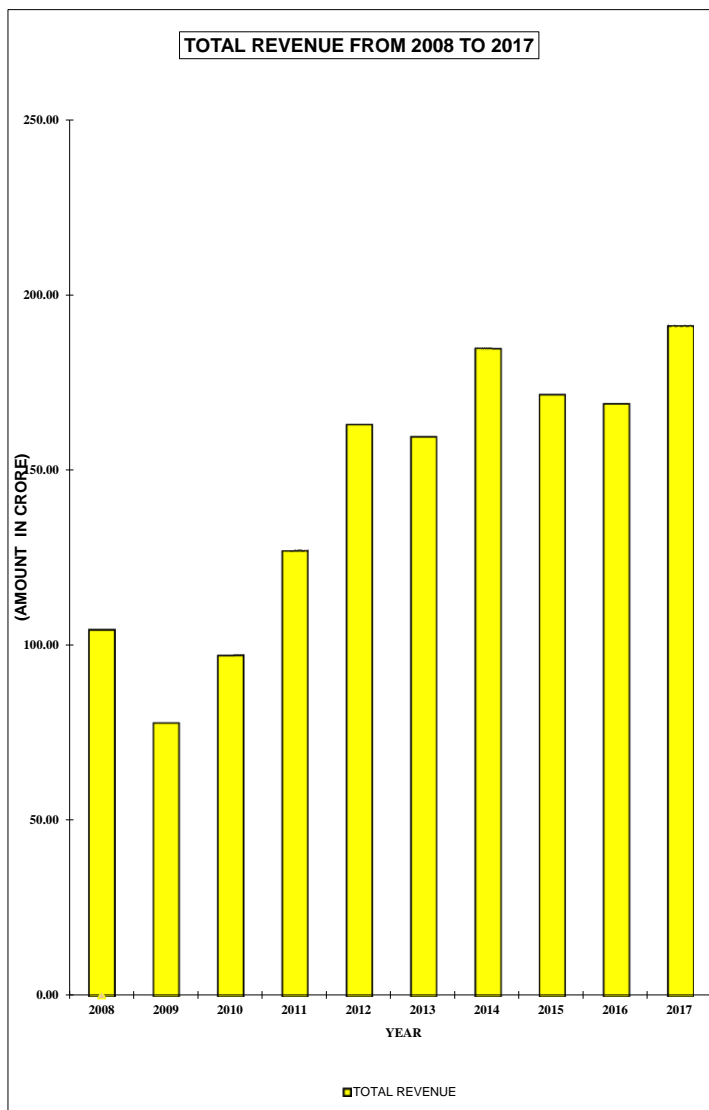
| | |
|--|--------|
| Corporate Information | 1 |
| Financial Highlights | 2 |
| Directors' Report | 3-33 |
| Management Analysis & Discussion Report | 34-38 |
| Corporate Governance | 39-58 |
| Independent Auditors' Report | 59-67 |
| Standalone Financial Statement | 68-86 |
| Consolidated Auditors' Report | 87-91 |
| Consolidated Financial Statement | 92-110 |

FINANCIAL HIGHLIGHTS

(Rupees in Crore)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------------------|--------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| TOTAL REVENUE | 104.77 | 78.20 | 97.40 | 127.22 | 163.23 | 159.78 | 184.84 | 171.81 | 169.21 | 191.32 |
| EBITDA | 26.81 | 16.68 | 22.73 | 29.44 | 31.62 | 19.49 | *26.79 | 16.75 | 26.91 | 31.01 |
| DEPRECIATION & AMORTISATION | 2.65 | 3.51 | 3.97 | 4.61 | 5.26 | 6.05 | 6.22 | 6.63 | 6.37 | 6.40 |
| EBIT | 24.16 | 13.17 | 18.76 | 24.83 | 26.36 | 13.44 | 20.57 | 10.12 | 20.54 | 24.61 |
| TAXATION | 7.95 | 4.05 | 5.92 | 7.94 | 7.68 | 3.72 | 6.27 | 2.04 | 6.30 | 7.84 |
| PAT (PROFIT AFTER TAX) | 14.00 | 7.42 | 11.81 | 15.83 | 15.98 | 6.56 | 12.18 | 4.60 | 10.88 | 14.08 |
| EBITDA TO TOTAL REVENUE (%) | 25.59 | 21.33 | 23.34 | 23.14 | 19.37 | 12.20 | 14.49 | 9.75 | 15.90 | 16.21 |
| EBIT TO TOTAL REVENUE (%) | 23.06 | 16.84 | 19.26 | 19.52 | 16.15 | 8.41 | 11.13 | 5.89 | 12.14 | 12.86 |
| PAT TO TOTAL REVENUE (%) | 13.36 | 9.49 | 12.13 | 12.44 | 9.79 | 4.11 | 6.59 | 2.68 | 6.43 | 7.36 |
| NET BLOCK (+ CWIP) | 38.70 | 41.03 | 44.05 | 46.64 | 54.73 | 62.09 | 60.65 | 59.01 | 61.98 | 58.76 |
| 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 | 41.83 | 49.54 | 58.41 | 70.39 | 82.53 | 85.22 | 92.60 | 94.11 | 101.09 | 111.26 |
| NET WORTH | 44.19 | 51.99 | 60.96 | 73.03 | 85.27 | 88.04 | 95.48 | 96.99 | 103.97 | 114.14 |
| FEW KEY RATIOS | | | | | | | | | | |
| EARNINGS PER SHARE (Rs.) | 4.31 | 2.29 | 3.64 | 4.88 | 4.93 | 2.02 | 3.75 | 1.42 | 3.35 | 4.34 |
| BOOK VALUE (Rs.) | 13.62 | 16.02 | 18.79 | 22.51 | 26.28 | 27.13 | 29.42 | 29.89 | 32.04 | 35.17 |
| DIVIDEND (%) | 40.00 | 40.00 | 75.00 | 100.00 | 100.00 | 100.00 | 125.00 | 75.00 | 100.00 | 100.00 |

* Excluding Exceptional Items Rs.0.79 Crore



DIRECTORS' REPORT

To

**The Members of
Modison Metals Ltd**

The Directors have pleasure in presenting before you the Thirty Fourth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS

(Rupees in Lakhs)

| | 2016-17 | 2015-16 |
|--|------------------|------------------|
| Revenue from operation & other income | 19,131.85 | 16,921.05 |
| Gross Profit before Finance Cost & Depreciation/Amortisation | 3,101.06 | 2,690.79 |
| Less: Finance Cost | 269.39 | 334.76 |
| Less: Depreciation / Amortisation | 639.76 | 637.36 |
| Profit before Exceptional items | 2,191.91 | 1,718.67 |
| Exceptional items | - | - |
| Profit before taxation | 2,191.91 | 1,718.67 |
| Less: <u>Provision for Taxation</u> Current tax | 790.00 | 626.50 |
| Less: Taxation adjustment of previous year | 12.04 | (14.47) |
| Less: Deferred tax | (17.92) | 18.23 |
| Profit after taxation | 1,407.79 | 1,088.41 |
| Add: Balance brought forward from the previous year | 8,767.10 | 8,069.25 |
| Profit available for appropriation | 10,174.89 | 9,157.66 |
| Interim Dividend | 324.50 | 324.50 |
| Corporate Dividend Tax on Interim Dividend | 66.06 | 66.06 |
| Balance carried over to Balance Sheet | 9,784.33 | 8,767.10 |

DIVIDEND

The Board of Directors has declared and paid the interim dividend of Rs.1/- per Equity share of Re.1 each for the Financial Year ended 31st March, 2017

Your Directors do not recommend any final dividend for the financial year ended on 31st March, 2017 & decided that the interim dividend which is already declared and paid is the final dividend.

TRANSFER TO RESERVES

The Company has not transferred any amount to Reserves for the Financial Year ended 31st March 2017.

OPERATIONS

During the year under review, the Company has achieved the turnover of Rs. 19,131.85 Lakhs as compared to Rs. 16,921.05 Lakhs during previous year. The turnover is increased by 13.07% i.e; by Rs.2,210.80 Lakhs, Profit before tax increased by 27.54% i.e; by Rs.473.24 Lakhs & Net Profit after tax increased by 29.34% i.e; by Rs.319.39 Lakhs.

EXPORTS

The Exports (FOB) including export in INR during the year amounts to Rs.2,622.21 Lakhs as against Rs. 2,553.98 Lakhs achieved in the previous year. The export is increased by 2.67% i.e; by Rs.68.23Lakhs.

SHARE CAPITAL

The paid up equity capital as on 31st March 2017 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 & not made any provision for purchase of its own shares. During the year, the Company has increased the authorized share capital from Rs.3,25,00,000/- to Rs.10,00,00,000/-

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, 2016 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 had given short term loan to a company for their working capital requirements and the same has been received back during the year. The rate of interest charged was 15%.

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 the Annual Return in form MGT 9 is annexed herewith as Annexure II.

CORPORATE SOCIAL RESPONSIBILITY

As part of its initiative under 'Corporate Social Responsibility (CSR)', the company has mainly focused on education and health. The projects for which contribution has been made are as under.

(I) EDUCATION

The company has contributed Rs.25 lakhs towards construction of 6 class rooms, 8 toilets, borewell and water tank for the benefit of students at large. The company has also contributed Rs.1.25 lakhs to a school for corpus fund.

(II) HEALTH

The company has contributed Rs.11 lakhs towards dwelling facilities being constructed for relatives of cancer patients and has also contributed Rs.1 lakh towards 5 beds for underprivileged persons.

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. Rajkumar Modi and Mr. Suresh Mody, 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.

During the year, there was sad demise of the Company's Chairman and Independent Director Mr. Ranjan Dasgupta.

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

KEY MANAGERIAL PERSONNEL

There is no change in the Key Managerial Personnel during the year.

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 weblink is <http://www.modison.com/pdf/financial/2017/april/Details-of-familiarization-programme-2016-17.pdf>.

BOARD MEETINGS

The Board of Directors duly met 5 times during the financial year from 1 April, 2016 to 31 March, 2017. The dates on which the meetings were held are as follows :

26 May, 2016, 9 August, 2016, 14 November, 2016, 9 February, 2017 and 17 February, 2017.

A separate report on Corporate Governance includes the detailed particulars of Board & Committee Meetings is annexed and forms 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 AND CO LLP, (formerly known as M.L. Bhuwania & Co.), Chartered Accountants having firm registration No. 141484W/W100197, who are the statutory auditors of the Company, and retiring at the ensuing Annual general meeting, pursuant to the requirement of rotation of Auditors under Section 139 of the Companies Act, 2013.

Your Directors recommends for the appointment of M/s. Kanu Doshi and Associates LLP, Chartered Accountants as the statutory auditors of the Company at the ensuing Annual General Meeting to hold the office for a period of three years. The auditors have confirmed their eligibility and qualification for appointment as per the section 141 of the Companies Act, 2013

ii) Audit Report

The report of the auditor's on Financial Statements for the Period ended 31st March, 2017, issued by M L BHUWANIA AND CO LLP, Chartered Accountants, having firm registration No. 141484W/W100197, contains emphasis of matter relating to inventory valuation which is self-explanatory and does not contain any qualification.

iii) 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, 2018 by the Board of Directors

iv) Secretarial Auditor

Secretarial Audit was conducted during the year by the Secretarial Auditor, Ragini Chokshi & Co, Practicing Company Secretary, Mumbai in accordance with provisions of Section 204 of the 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

In the year 2014-2015, your company acquired M/s. Modison Contacts Private Limited for the purpose of expansion of business, which is now, the subsidiary of your Company. The subsidiary is not a material subsidiary company. The material subsidiaries policy is available on Company's website and the weblink is <http://www.modison.com/pdf/financial/Material-Subsidiaries-Policy-MML.pdf>. The subsidiary company has recorded a profit of Rs.92,358/- during the Financial Year 2016-17. 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 has 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, 2017 and of the profit and loss of the Company for the said period;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- iv) the annual accounts have been prepared on a going concern basis;
- v) the internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) there is a proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

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

VIGIL MECHANISM / WHISTLE BLOWER 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 2016-17.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

INTERNAL AUDITOR

During the year, the company has appointed Mr. Sarvesh Shenoy, Chartered Accountant, as 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, 17 May 2017

G.L. MODI
Managing Director

SURESH MODY
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**

| | <u>Rs. In Lakhs</u> |
|--|----------------------------|
| • Capital | 41.43 |
| • Recurring | 87.39 |
| • Total | 128.82 |
| • Total R&D Expenses as a percentage of total Turnover | 0.67% |

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 (2016-2017)**Rs. In Lakhs**

| | | |
|------|----------------------------------|-----------------|
| i) | CIF Value of Imports: | 1,718.50 |
| ii) | Expenditure in Foreign Currency: | 138.19 |
| iii) | Foreign Exchange earned: | 2,586.18 |

Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Annexure II)
As on the financial year ended on March 31,2017.
[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the

Companies (Management and Administration) Rules, 2014]

I. 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 | 82.10% |

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) |

IV. 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 | 16662532 | - | 16662532 | 51.35 | 16662532 | - | 16662532 | 51.35 | - |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt. | - | - | - | - | - | - | - | - | - |
| d) Bodies Corporate | 96918 | - | 96918 | 0.30 | 96918 | - | 96918 | 0.30 | - |
| e) Banks /FI | - | - | - | - | - | - | - | - | - |
| f) Any other... | - | - | - | - | - | - | - | - | - |
| Sub-Total A(1) | 16759450 | - | 16759450 | 51.65 | 16759450 | - | 16759450 | 51.65 | - |
| (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) | 16759450 | - | 16759450 | 51.65 | 16759450 | - | 16759450 | 51.65 | - |
| 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) FII's | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-Total (B)(1): | - | - | - | - | - | - | - | - | - |

| 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 | 862452 | - | 862452 | 2.66 | 874214 | - | 874214 | 2.69 | 0.03 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual Shareholders holding nominal share capital upto 1 lakh | 5191128 | 42070 | 5233198 | 16.12 | 4969978 | 40070 | 5010048 | 15.44 | (0.68) |
| ii) Individual Shareholders holding nominal share capital in excess of 1 lakh | 9263890 | - | 9263890 | 28.55 | 9570413 | - | 9570413 | 29.49 | 0.94 |
| 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 | 331010 | - | 331010 | 1.02 | 235875 | - | 235875 | 0.73 | (0.29) |
| v) Clearing Members / Clearing House | - | - | - | - | - | - | - | - | - |
| vi) Trusts | - | - | - | - | - | - | - | - | - |
| vii) Limited Liability Partnership | - | - | - | - | - | - | - | - | - |
| viii) Foreign Portfolio Investor (Corporate) | - | - | - | - | - | - | - | - | - |
| ix) Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| Sub – Total (B)(2) | 15648480 | 42070 | 15690550 | 48.35 | 15650480 | 40070 | 15690550 | 48.35 | 0.00 |
| Total Public Shareholding (B)=(B)(1) + (B)(2) | 15648480 | 42070 | 15690550 | 48.35 | 15650480 | 40070 | 15690550 | 48.35 | 0.00 |
| C. Share held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 32407930 | 42070 | 32450000 | 100.00 | 32409930 | 40070 | 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 | - | - | - | - | (22.06%) |
| Rajkumar Modi | 6701210 | 20.65 | - | 6701210 | 20.65 | - | - |
| Suresh Chandra P Mody | 237240 | 0.73 | - | 237240 | 0.73 | - | - |
| Kumar Jay G Modi | 1774000 | 5.47 | - | 1774000 | 5.47 | - | - |
| Girdharilal Modi(HUF) | 423760 | 1.31 | - | 7582130 | 23.37 | - | 22.06% |
| 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 | 44367 | 0.14 | - | 44367 | 0.14 | - | - |
| B.Bodies Corporate | | | | | | | - |
| Modison Copper Private Limited | 96918 | 0.30 | - | 96918 | 0.30 | - | - |
| Total (A+B) | 16759450 | 51.65 | - | 16759450 | 51.65 | - | - |

iii. 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 | 16759450 | 51.65 | 16759450 | 51.65 |
| 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 (-) | 23/03/2017 : (-) 7158370 | 22.06 | 9601080 | 29.59 |
| | 23/03/2017 : (+) 7158370 | 22.06 | 16759450 | 51.65 |
| | | | | |
| At the end of the year | 16759450 | 51.65 | 16759450 | 51.65 |

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

| For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------------------------------------|---|----------------------------------|---|----------------------------------|
| | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| PrakashChandra Modi | 4660488 | 14.36 | 4660488 | 14.36 |
| a. At the Beginning of the Year | | | | |
| 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 | 714000 | 2.20 | 714000 | 2.20 |
| a. At the Beginning of the Year | | | | |
| b. Changes during the Year | Increase by 0.57% during the year | | | |
| c. At the end of the year | 898000 | 2.77 | 898000 | 2.77 |
| Nirmala Mody | 624950 | 1.93 | 624950 | 1.93 |
| a. At the Beginning of the Year | | | | |
| b. Changes during the Year | Decrease by 0.01% during the year | | | |
| c. At the end of the year | 622185 | 1.92 | 622185 | 1.92 |
| Lalitadevi Modi | 392000 | 1.21 | 392000 | 1.21 |
| a. At the Beginning of the Year | | | | |
| b. Changes during the Year | Increase by 0.61% during the year | | | |
| c. At the end of the year | 592000 | 1.82 | 592000 | 1.82 |

| | | | | |
|--|-----------------------------------|------|--------|------|
| Rajeev Goyal a. At the Beginning of the Year b. Changes during the Year c. At the end of the year | 16500 | 0.05 | 16500 | 0.05 |
| | Increase by 1.62% during the year | | | |
| | 540500 | 1.67 | 540500 | 1.67 |
| 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 |
| | Increase by 0.04% during the year | | | |
| | 507000 | 1.56 | 507000 | 1.56 |
| 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 |
| | Decrease by 0.08% during the year | | | |
| | 289282 | 0.89 | 289282 | 0.89 |
| 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 |
| | Decrease by 0.13% during the year | | | |
| | 251000 | 0.77 | 251000 | 0.77 |
| 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 |
| | Decrease by 0.01% during the year | | | |
| | 246917 | 0.76 | 246917 | 0.76 |

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.) | Decrease by 22.06% during the year | | | |
| At the end of the year | - | - | - | - |

| | | | | |
|---|---------------------------|-------|---------|-------|
| SURESHCHANDRA PURUSHOTTAMDAS MODY | | | | |
| At the beginning of the year | 237240 | 0.73 | 237240 | 0.73 |
| 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 | 237240 | 0.73 | 237240 | 0.73 |
| RANJANDAS GUPTA | | | | |
| 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 |
| 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 |
| 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 | 10000 | 0.03 | 10000 | 0.03 |
| 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 | 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 | 20.67 | - | - | 20.67 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 0.03 | - | - | 0.03 |
| Total (i+ii+iii) | 20.70 | - | - | 20.70 |
| Change in Indebtedness during the financial year | | | | |
| Addition | - | 25.04 | - | 25.04 |
| Reduction | (17.49) | (10.00) | - | (27.49) |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 3.20 | 15.00 | - | 18.20 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 0.01 | 0.04 | - | 0.05 |
| Total (i+ii+iii) | 3.21 | 15.04 | - | 18.25 |

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 | 13493850 |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | 205987 |
| | (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 | 342081 |
| | Total (A) | 14041918 |

| 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 | 7225974 |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | 419255 |
| | (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 | 255254 |
| | Total (A) | 7900483 |

| 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 | 2707370 |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | 323100 |
| | (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 | 131215 |
| | Total (A) | 3161685 |

| Sr. No. | Particulars of Remuneration | Shri Rakesh Singh, Whole-time Director |
|---------|---|---|
| | Gross Salary | |
| 1 | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 4744813 |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | 39600 |
| | (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 | 21600 |
| | Total (A) | 4806013 |

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 | |
| 1 | Fee for attending Board/Committee Meetings | 20,000 | 60,000 | 80,000 | 1,10,000 | Rs. 2,70,000/- |
| 2 | Commission | - | - | - | | |
| 3 | Other, please specify..... | - | - | - | | |
| | Total (B)(1) | Rs. 2,70,000/- | | | | |

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 | 50,000 | 1,00,000 |
| | Commission | - | - | - |
| | Other, please specify..... | - | - | - |
| | Total (B)(2)= Rs. 1,00,000/- | | | |
| | Total (B)=(B)(1) + (B)(2)= Rs. 3,70,000/- | | | |

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

| 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 | 18,64,398.00 |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | 27,994.00 |
| | (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 | 21,600.00 |
| | Total (C) | 19,13,992.00 |

| 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 | 3,70,971.00 |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | 8,400.00 |
| | (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 | 17,372.00 |
| | Total (C) | 3,96,743.00 |

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 CSR Committee Shri G L Modi – Chairman Shri Suresh Mody- Member Shri R. A. Goenka – Member | |
| 2 | Meeting of CSR Committee : | 09.02.2017 |
| 3 | Average Net Profit of the Company for last 3 Financial Years | Average Net profit: Rs.14,07,75,076/- |
| 4 | Prescribed CSR Expenditure (2% of this amount as in 3 above) | The Company is required to spend Rs.28,15,502/-towards CSR |
| 5 | Details of CSR spend during the Financial Year | |
| | a) Total Amount spent for the Year | Rs.38,67,240/- |
| | b) Amount unspent (if any) | Nil |
| | c) Manner in which the amount during the financial year is given on next page | |

| Sr No | Projects/Activities | Locations | Amount outlay (Budget) project or Programs wise | Amount spent on the project/ Programs | Cumulative spend upto to the reporting period | Amount spent: Direct/through implementing agency* |
|-------|---------------------|----------------|---|---------------------------------------|---|---|
| 1 | Education | Rajasthan | 27,00,000 | 26,25,000 | 26,25,000 | Implementing agency |
| 2 | Medical | Sikar & Mumbai | 12,00,000 | 12,00,000 | 38,25,000 | Implementing agency |
| 3 | Health | Mumbai | 25,000 | 22,500 | 38,47,500 | Implementing agency |
| 4 | Drinking Water | Rajasthan | 20,000 | 19,740 | 38,67,240 | Implementing agency |

*Implementing Agency is Modison Charitable Trust

Responsibility Statement of CSR Committee

This is to certify that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company

G.L. Modi
Chairman CSR Committee

Suresh Mody
Director

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 | 1,705,867 | 2,548,743 | 42,876 | - | 120,706 | 92,358 | 14,552 | 0.00 | 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 venture is not consolidated | 5. Networth attributable to shareholding as per latest audited Balance Sheet | 6. Profit/ Loss for the year |
|-------|-----------------------------------|-------------------------------------|--|---|---|--|------------------------------|
|-------|-----------------------------------|-------------------------------------|--|---|---|--|------------------------------|

Not Applicable as the Company don't have any associates and joint ventures.

 G.L.MODI
 MANAGING DIRECTOR

 SURESH MODY
 DIRECTOR

 RAMESH KOTHARI
 CHIEF FINANCIAL OFFICER

 DEEPASHREE DADKAR
 COMPANY SECRETARY

 Place: Mumbai
 Date: 17 May 2017

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE PERIOD 01-04-2016 TO 31-03-2017

[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,
MODISON METALS LIMITED

33 Nariman Bhavan
227, Nariman Point
Mumbai 400 021

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MODISON METALS LIMITED (CIN: L51900MH1983PLC029783)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing 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, 2016 to 31st March, 2017** 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, 2016 to 31st March, 2017** 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 External Commercial Borrowings but not applicable Foreign Direct Investment, Overseas Direct Investment;
- (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. **(Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review)**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable as the Company has not delisted its equity shares from any stock exchange during the 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:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations 2015 and the Listing Agreements entered into by the Company with Stock Exchanges.

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 were 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.

We 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

Makarand Patwardhan

(Partner)

C.P.No :- 9031

ACS No :- 11872

Place : Mumbai

Date: 17 May 2017

Management Analysis & Discussion Report

Industry structure & Outlook

The Indian economy consolidated on its improvement made in macro-economic indicators in previous fiscal. Post demonetisation the economy is recovered to a large extent.

The production of industrial sector mainly comprising of mining, manufacturing & electricity was 5.2%. The electrical equipment industry grew by 3.48% (Till Q3). The growth achieved by company in volume & value was more than the industry & GDP growth

The international market like Europe, Turkey, Russia and Japan is likely to be subdued mainly on account of sluggish economy and geo political risk in Russia and Turkey

The metal prices consolidated and showed some upstick post southwards movement for many years.

Moving forward few key projects are likely to propel the growth in the industry. Passing of Real estate regulatory bill, focus on infrastructure projects, Launching of smart city projects, are few of the enablers for the business

In addition to these the UDAY scheme when launched fully, TBCB, renewable energy thrust, Smart grid projects & DDUGJY (Deen Dayal Upadhyay Gram Jyoti Yojna) are few of the projects which are likely to add impetus to power and switchgear industry

Implementation of GST in this fiscal will add further opportunities for company's business

Overall Political stability, Macro improvement on tract reform augurs well for the company moving forward.

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 broaden 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

Operational, Product wise & Financial Performance

Most of the improvement initiatives taken are institutionalised and it helped the operations to optimise cost, improve productivity and improved the output per person ratio.

The company is in the process of migrating to updated and improved version of ERP which is expected to improve the responsiveness of overall supply chain.

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

The new maintenance software is implemented which has helped the operations to track and proactively work on break downs of the equipment reducing the down time in the process.

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

The Company is manufacturing Electrical Contacts for Low, Medium & High Voltage Switchgear. During the year under review, the Company has achieved the turnover of Rs.19,131.85 Lakhs as compared to Rs.16,921.05 Lakhs during previous year. The turnover is increased by 13.07% i.e; by Rs.2,210.80 Lakhs, Profit before tax increased by 27.54% i.e; by Rs.473.24 Lakhs & Net Profit after tax increased by 29.34% i.e; by Rs.319.39 Lakhs.

Opportunity

It has been company's endeavour to continuously invest in capacity and in capability .Since most of company's HV competitors are from Europe it is imperative that company remain in sync with the global manufacturing norms and the same has been achieved with fair degree of certainty and success.

Company established full-fledged state of the art silver salts manufacturing facility enabling the company to diversify its product portfolio. This project will elevate the operational profile, help in diversify and improve the growth prospect of the company.

The expansion and upgradation of refinery is well and truly established and is on its way to pay rich haul with respect to company's overall growth trajectory and strategy.

The company's current capacity is in line with the future expansion plan and at the same time is north bound with respect to capability which enables it to remain in sync with international competition.

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 be the epicentre of all development & diversifying product range efforts of the organisation. The sustained effort in R&D enabled the company to implement Concept – To – Cash cycle for the new product “silver salts”. The whole chain of concept , development & productionisation was completed within a period of 6 months. This helped in fast tracking the whole effort of bring the product into the market much faster .The similar effort in the development of “Silver Powder” will facilitate our entry into renewable energy market. The company expects that within 12-14 months the “Silver Powder” shall be developed which in turn shall help the company to leverage the fast growing market of Renewable energy.

In addition to the product development effort our R&D lab is in the process of challenging NABL accreditation which will help it to bench mark with the best practices for labs .The Company is already in the process of acquiring the same.

Threats & 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.

Development in 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.

This year along with the prevailing policies company also introduced “Spot Recognition” policy which enables the employees to be rewarded immediately for the good work/improvement done in the concerned areas. The scheme foster a very conducive atmosphere for working and at the same time instil a very healthy competition among all employees which benefits the organisation overall.

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.

Business development & growth

Company has four pronged strategy for business development & growth viz new product development, new geographies, new customers & increased share of wallet of existing customers.

In line with this new product silver salts has been fully developed and productionised. Company has developed key 5 customers for this diversified business which has end application in life science products, fine chemicals and electroplating.

For existing business key customers are developed in HV segment paving way for the upward movement in HV segment.

North America market is entering into a phase where product quality is established and most of company's supplies are qualified .This will help the company to gain traction in North America market.

The company has appointed representative in Brazil mainly for HV business .This is likely to help the company to increase its foot print in South America.

On new Product front the bullion business is in the process of gaining maturity after soft launch. The flatware business is in the process of launch which will be positioned as lifestyle product.

Corporate Social responsibility

The company's philosophy of contributing to society mainly in the areas of Education & health continue to drive our efforts in CSR.

The company runs a charitable trust named Modison charitable trust which in turn runs maternity hospital.

Inspired by our honorable Prime Minister Mr Narendra Modi movement of "Beti Bachao, Beti padhao" the trust as token of appreciation has increased the amount from Rs 2100 to Rs 3100/-

The trust is also engaged in providing scholarships to needy students in order to contribute to their future in humble way. In addition to this it also supports TB patients for by donating yearly amount to TB hospitals

The company constructed toilet blocks for girl students in Vidya Vikas Hindi High School increasing the ratio of toilet per girl students

In addition to this the company has constructed 6 class rooms ,8 toilets ,borewell and water tank in a school for well-being of students

The company also has supported the noble cause of constructing 50 bed dwelling facilities near TATA memorial cancer hospital for relatives/family of patients.

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 on-going 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. Keeping the same in view, the Company has laid down an effective whistle blower policy enabling stakeholders, including employees to freely communicate their concerns about illegal or unethical practices

4. BOARD OF DIRECTORS

a) Composition and Category of Directors

The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors who represents the optimum mix of professionalism, knowledge and experience.

The Board's composition is in accordance with the requirements of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31st March, 2017, The Board of the Company comprises nine Directors - Four Executive Directors and five Non-Executive Directors, of whom three are Independent Directors. The current strength of the Board includes one Women Director as required under applicable legislation. The Chairman of the Board is a Non-Executive Independent Director.

Directors' Attendance Record and Directorship / Committee Membership / Chairmanship held as on 31.03.2017

| Name of Director | Executive / Non-Executive / Independent | Relation ship with Other Directors | Board Meetings attended during the year | Whether attended last AGM | Director-ships* including MML) | Committee Position (Including MML) | |
|--|---|------------------------------------|---|---------------------------|--------------------------------|------------------------------------|--------|
| | | | | | | Chairman | Member |
| Mr.Ashok Jatia - Chairman | Non-Executive & Independent | None | 5 | Yes | 1 | 1 | 1 |
| Mr. Ranjan Dasgupta – Chairman (Expired on 28.10.2016) | Non-Executive & Independent | None | 1 | Yes | 1 | - | - |
| Mr. G. L. Modi - Managing Director | Executive | Father of Mr. Kumar Jay Modi | 5 | Yes | 1 | - | 1 |
| Mr. Rajkumar Modi - Wholetime Director | Executive | None | 5 | Yes | 1 | - | 2 |
| Mr.Kumar Jay. Modi-Wholetime Director | Executive | Son of Mr. G.L.Modi | 5 | Yes | 1 | - | - |
| Mr.Rakesh Singh-Wholetime Director | Executive | None | 5 | Yes | 1 | - | - |
| Mr. Suresh Mody | Non-Executive | None | 5 | Yes | 1 | - | - |
| Mr. R A Goenka | Non-Executive & Independent | None | 3 | Yes | 2 | - | 1 |
| Mr. B.B. Singh | Non-Executive | None | 5 | Yes | 1 | - | - |
| Mrs.Rita Bhatia- Women Director | Non-Executive & Independent | None | 4 | Yes | 1 | 1 | - |

* Number of Directorships/memberships and Committee position held in other companies excludes directorship/member in Private Limited Companies, Foreign Companies and Companies under section 8 of the Companies Act, 2013 and includes Audit Committee, Stakeholders Relationship Committee in Public Limited Companies including Modison Metals Limited as on 31.03.2017

b) Appointment / Reappointment of Directors

Mr. Rajkumar Modi and Mr. Suresh Mody retire by rotation at the ensuing Annual General meeting and being eligible, offer themselves for re-appointment. Approval of the shareholders is sought at the ensuing Annual General Meeting for their re-appointment as Directors of the Company.

The list containing the details of the Directors seeking re-appointment at the 34th Annual General Meeting is given below:

| | Name of the Director | Mr. Rajkumar Modi | Mr. Suresh Mody |
|------|--|--|---|
| i) | Date of birth | 08.03.1965 | 23.10.1944 |
| ii) | Date of Appointment | 09.06.1998 | 01.01.1997 |
| iii) | Qualification | B.Com., MBA | B.Com, LLB |
| iv) | Expertise in specific functional area | He has a sharp business acumen, stronghold in export market and excellent administrative skills. | 50 years' experience in Finance and Taxation. |
| v) | List of other public limited companies (in India) in which outside directorship held | None | None |
| vi) | Member of the committee/s of Board of Directors of other companies in which he is a Director | None | None |
| vii) | Relationship with other Director | None | None |

c) Independent Directors

The Independent Directors of the Company fully meet the requirements laid down under 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.

d) Performance Evaluation of Directors

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

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

The Board of Directors (excluding the Director being evaluated) had, in their Meeting held on 09th February, 2017 evaluated the performance of all the Directors on the Board.

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 09th February, 2017, 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) review 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 strategy, operations and functions of the Company through its Executive Directors or Senior Management Personnel

The details of such familiarisation programmes have been disclosed on the Company's website at www.modison.com

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. A total of five Board Meetings were held during the year 2016-2017 on the following dates: 26.05.2016, 09.08.2016, 14.11.2016, 09.02.2017 and 17.02.2017

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.

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 |
|------------------------|-------------|-------------|--|
| 2013-2014 | 09.09.2014 | 11:30 A.M. | Radio Room, The Bombay Presidency Radio Club Ltd., Arthur Bunder Road, Colaba, Mumbai-400005 |
| 2014-2015 | 11.08.2015 | 11:30 A.M. | |
| 2015-2016 | 09.08.2016 | 11.30 A.M. | |

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

Borrowing of Money Power to Board of Directors of the company u/s 180(1)(c) of the Companies Act, 2013.

Power to create charge, Mortgage etc. in Movable/ Immovable Properties u/s 180 (1)(a) of the Companies Act, 2013.

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

The following Special Resolutions were passed at the AGM held on **09.08.2016**

- i) Appointment and Remuneration of Mr. Rakesh Singh as Whole time Director of the Company
- ii) Re-appointment and Remuneration of Mr. Rajkumar Modi as Whole time Director of the Company

Postal Ballots

The following resolutions were passed through postal ballot

- i) To approve amendment of title and Clause III of Memorandum of Association
- ii) To approve amendment of Clause IV of Memorandum of Association.
- iii) To approve amendment of Articles of Association.
- iv) To increase Authorised Share Capital.
- v) To approve amendment of Clause V of Memorandum of Association.
- vi) To approve amendment of Article 3 of Articles of Association

c. EXTRA ORDINARY GENERAL MEETING

No Extra Ordinary General Meeting of the Shareholders was held during the financial year ended 31st March, 2017

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, 2017, 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 four Directors as on 31st March, 2017, three of whom are Non-Executive Independent Directors including the Chairman of the Audit Committee. The Audit Committee was reconstituted on 14.11.2016 as Mr. Ranjan Dasgupta expired on 28.10.2016. The details of the members are as under :

| Name of the Directors | Category | Designation |
|---|-------------------------------|-----------------|
| Mr. Ranjan Dasgupta (Expired on 28.10.2016) | Non-Executive and Independent | Former Chairman |
| Mrs. Rita Bhatia | Non-Executive and Independent | Chairman |
| Mr. R A Goenka | Non-Executive and Independent | Member |
| Mr. Ashok Jatia | Non-Executive and Independent | Member |
| Mr. Rajkumar Modi | Executive | Member |

Ms. Deepashree Dadkar acts as Secretary of the Audit Committee. The members of the Audit Committee are financially literate and three members have accounting and related financial management expertise. The Statutory Auditor are invitees to the meetings

c) Power of Audit Committee

The Audit Committee has the following powers

To investigate any activity within its terms of reference;

To seek information from any employee

To obtain outside legal or other professional advice

To secure attendance of outsiders with relevant expertise, if it considers necessary

d) Role of Audit Committee

- i) Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the Financial Statement is correct, sufficient and credible;
- ii) Recommending the appointment, reappointment and terms of appointment of auditors of the Company
- iii) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- iv) Reviewing with management the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
 - a) Matters required to be included in Director's responsibility statement to be included in the Board's Report on terms of clause(c) of sub section (3) of section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgment by management
 - d) Significant adjustments made in the financial statement arising out of audit findings;
 - e) Compliance with Listing and other legal requirements relating to financial statements
 - f) Disclosures of related party transactions
 - g) 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, if any

f. Audit Committee meetings and attendance

Four Audit Committee Meetings were held during the year ended 31st March, 2017 on 26.05.2016, 09.08.2016, 14.11.2016 and 09.02.2017. Details of attendance of each Director at the Audit Committee Meetings are given below:-

| Sr.No | Name | No. of Meetings Attended |
|-------|--|--------------------------|
| 1 | Mrs. Rita Bhatia | 3 |
| 2 | Mr. R A Goenka | 2 |
| 3 | Mr. Rajkumar Modi | 4 |
| 4 | Mr. Ashok Jatia | 4 |
| 5 | Mr. Ranjan Dasgupta (Expired on 28.10.2016) | 1 |

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.

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

Formulation of criteria for evaluation of Independent Directors and the Board of Directors

Devising a policy on diversity of Board of Directors

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;

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:

The Nomination and Remuneration Committee was reconstituted on 14.11.2016 as Mr. Ranjan Dasgupta expired on 28.10.2016.

| Sr.No | Name of the Directors | Category | Designation |
|-------|--|-------------------------------|---------------|
| 1 | Mr. R A Goenka | Non-Executive and Independent | Chairman |
| 2 | Mrs. Rita Bhatia | Non-Executive and Independent | Member |
| 3 | Mr. Ashok Jatia | Non-Executive and Independent | Member |
| 4 | Mr. Ranjan Dasgupta (Expired on 28.10.2016) | Non-Executive and Independent | Former Member |

c) Nomination and Remuneration Committee meetings and attendance

Two Nomination and Remuneration Committee Meetings were held during the year ended 31st March, 2017 on 26.05.2016 and 09.02.2017. 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 | 1 |
| 2 | Mrs. Rita Bhatia | 1 |
| 3 | Mr. Ashok Jatia | 2 |
| 4 | Mr. Ranjan Dasgupta (Expired on 28.10.2016) | - |

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 / Wholetime Directors.

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

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

The Remuneration (including perquisites and benefits) paid to the Managing Director/ Wholetime Director during the year ended 31st March 2017 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 | - | 13493850 | 205987 | 320481 | 21600 | 14041918 |
| Rajkumar Modi, Whole Time Director | - | 7225974 | 419255 | 233654 | 21600 | 7900483 |
| Kumar Jay Modi, Whole Time Director | - | 2707370 | 323100 | 109615 | 21600 | 3161685 |
| Rakesh Singh, Whole Time Director | - | 4744813 | 39600 | - | 21600 | 4806013 |

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 reappointment of Wholetime Director of Mr. Rajkumar Modi is for a period of 3 years, from 01.06.2016 to 31.05.2019.

The appointment of Wholetime Director of 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 Wholetime Directors.

f) Performance linked incentive criteria

No such performance linked incentive are given to the appointees

g) Employee Stock Option Scheme

The Company does not have any stock option scheme

h) Non-Executive Directors

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

Mr. Ranjan Dasgupta (expired on 28.10.2016) was paid Professional Fees of Rs.1,25,000/- for the period April,2016 to August,2016 for rendering professional services.

Mr. Suresh Mody is also paid Professional Fees of Rs.10,00,000/- for the F.Y. 2016-17 for rendering Professional Services.

Mr. B.B.Singh is also paid Professional Fees of Rs.14,00,000/- for the F.Y. 2016-17 for rendering Professional Services

The details of Sitting Fees paid to Non-Executive Directors for attending Board and Committee Meetings during the year 2016-2017 are given below:

| Sr. No. | Name Of Director | Directors Sitting Fees (*) |
|----------------|-------------------------|-----------------------------------|
| 1 | Mr. Ranjan Dasgupta | 20,000 |
| 2 | Mr. Suresh Mody | 50,000 |
| 3 | Mr. Ramavtar Goenka | 60,000 |
| 4 | Mr. B B Singh | 50,000 |
| 5 | Mrs. Rita Bhatia | 80,000 |
| 6 | Mr. Ashok Jatia | 1,10,000 |

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

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

| Sr. No. | Name of the Director | No. of Shares |
|----------------|-----------------------------|----------------------|
| 1 | Mr. Suresh Mody | 237240 |
| 2 | Mr. Ramavtar Goenka | 1000 |
| 3 | Mr. B B Singh | 27980 |
| 4 | Mrs. Rita Bhatia | Nil |
| 5 | 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. Ashok Jatia, Non-Executive and independent Director is the Chairman of the Shareholders' Relationship committee.

The Stakeholders Relationship Committee was reconstituted on 14.11.2016 as Mr. Ranjan Dasgupta expired on 28.10.2016. The Composition of the Stakeholders Relationship Committee is detailed below:

| Name of the Director | Category | Designation |
|--|--------------------------------|--------------------|
| Mr. Ranjan Dasgupta (Expired on 28.10.2016) | Non- Executive and Independent | Former Chairman |
| Mr Ashok Jatia | 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 there was one investor/shareholder complaint received during the year ended on 31st March 2017 which was resolved successfully. There are no pending complaints as on date

Stakeholders Relationship Committee meetings and attendance

One Stakeholders Relationship Committee Meeting was held during the year ended 31st March, 2017 on 09.02.2017. Details of attendance of each Director at the Stakeholders Relationship Committee Meeting is given below:-

| Sr.No | Name | No. of Meetings Attended |
|--------------|-------------------|---------------------------------|
| 1 | Mr. Ashok Jatia | 1 |
| 2 | Mr. G.L.Modi | 1 |
| 3 | Mr. Rajkumar Modi | 1 |

IV. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

Mr. G L Modi, Executive and Managing Director is the Chairman of the CSR Committee .One meeting of the CSR Committee was held on 09.02.2017.The Chairman was present in the last Annual General Meeting

The Composition of the CSR Committee is detailed below:

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

V. RISK MANAGEMENT COMMITTEE

The terms of reference of the Risk Management Committee include implementation and monitoring the risk management plan for the Company. One Risk Management Committee Meeting was held during the year ended 31st March, 2017 on 09.02.2017.

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 | Executive | Member |

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/Officer | Category |
|------------------------------|-------------------------|
| Mr. Raj Kumar Modi | Executive Director |
| Mr. Ramesh Kothari | Chief Financial Officer |

FINANCE COMMITTEE

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

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

The Composition of the Finance Committee is detailed below

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

7. DISCLOSURES

a) Whistle Blower Policy/Vigil Mechanism

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

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

b) Subsidiary Company

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

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 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 at their Registered Address with 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. The Company also update the investor presentation on BSE website.

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 31.03.2017.

c) Shareholders' Rights

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

d) Other Non-Mandatory Requirements

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

11. SECRETARIAL AUDIT

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

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

Also, the secretarial audit report by M/s. Ragini Chokshi & Co, a Practising Company Secretary have no adverse remarks for the year ended 31st March, 2017. The report is self-explanatory.

12. GENERAL SHAREHOLDER INFORMATION

| 34 TH AGM DATE | | 25 th July, 2017 | |
|---------------------------|-----------------------------------|---|------------------------------|
| a) | 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 | 18th July, 2017 to 25th July, 2017 (Both days inclusive) | |
| d) | Period of e-voting | 21st July, 2017 (9:00 am) and ends on 24th July, 2017 (5:00 pm) | |
| e) | Listing on Stock Exchanges | BSE Ltd., Mumbai. | |
| f) | Stock Code | 506261 (BSE Ltd.) | |
| g) | Payment of annual Listing Fee | Listing Fees for the Financial Year: 2016-2017 has been paid to the BSE | |
| h) | Dividend Payment | The Interim dividend declared for the financial year 2016-17 was paid on 14.03.2017. | |
| i) | Financial Calendar (provisional): | 1 st Quarterly Result | Second week of August 2017 |
| | | 2 nd Quarterly Result | Second week of November 2017 |
| | | 3 rd Quarterly Result | Second week of February 2018 |
| | | Annual Results | Last week of May 2018 |

j) Share Market price data

The monthly high and low prices of equity shares of the company traded at The Stock Exchange, Mumbai and BSE Sensex are as under:-

| Month | Stock Exchange, Mumbai | | BSE Sensex | |
|-----------|------------------------|--------------|---------------|--------------|
| | Highest (Rs.) | Lowest (Rs.) | Highest (Rs.) | Lowest (Rs.) |
| Apr. 2016 | 57.75 | 50.00 | 26100.54 | 24523.20 |
| May 2016 | 59.90 | 51.15 | 26837.20 | 25057.93 |
| June 2016 | 59.50 | 49.05 | 27105.41 | 25911.33 |
| July 2016 | 67.40 | 56.00 | 28240.20 | 27034.14 |
| Aug. 2016 | 59.70 | 45.10 | 28532.25 | 27627.97 |
| Sep. 2016 | 55.00 | 40.05 | 29077.28 | 27716.78 |
| Oct. 2016 | 56.40 | 42.05 | 28477.65 | 27488.30 |
| Nov. 2016 | 54.00 | 46.00 | 28029.80 | 25717.93 |
| Dec. 2016 | 58.60 | 48.50 | 26803.76 | 25753.74 |
| Jan. 2017 | 63.00 | 55.20 | 27980.39 | 26447.06 |
| Feb. 2017 | 64.60 | 56.00 | 29065.31 | 27590.10 |
| Mar. 2017 | 68.90 | 56.00 | 29824.62 | 28716.21 |

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
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, 2017

| Slab | No. of shareholders | | No. of Equity Shares | |
|---------------|---------------------|---------------|----------------------|---------------|
| | Total | % | Total | % |
| 1-100 | 1609 | 35.69 | 98162 | 0.31 |
| 101-200 | 677 | 15.02 | 123402 | 0.38 |
| 201-500 | 958 | 21.26 | 377623 | 1.16 |
| 501-1000 | 528 | 11.72 | 467193 | 1.44 |
| 1001-5000 | 513 | 11.38 | 1195173 | 3.68 |
| 5001-10000 | 80 | 1.78 | 629735 | 1.94 |
| 10001 & Above | 142 | 3.15 | 29558712 | 91.09 |
| Total: | 4507 | 100.00 | 32450000 | 100.00 |

n) Shareholding Pattern

As on 31st March, 2017

| Category | No. of Equity shares | % |
|--------------------------|----------------------|---------------|
| Promoters | 16759450 | 51.65 |
| FIIIs | - | - |
| Mutual Funds | - | - |
| Private Corporate Bodies | - | - |
| NRIs / OCBs | 235875 | 0.73 |
| Indian Public | 15454675 | 47.62 |
| Total: | 3,24,50,000 | 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 31.03.2017 is 32409930.

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 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, 2017. 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

Mr. SURESH MODY
Director

Place: Mumbai
Date: 17 May 2017

The above Corporate Governance Report has been adopted by the board of Directors at their meeting held on 17th May 2017

Mr. G. L. MODI
Managing Director

Mr. SURESH MODY
Director

Place: Mumbai
Date: 17 May 2017

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 2017 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 I 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.

Mr. G. L. Modi
Managing Director

Ramesh Kothari
Chief Financial Officer

Place: Mumbai
Date: 17 May 2017

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 2017, 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.

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 and on behalf of
M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS
Firm Registration No. :- 101484W / W100197

J.P. BAIRAGRA
PARTNER
Membership No.12839

Place: Mumbai
Date: 17 May 2017

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, 2017, 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, 2017 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 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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.
 - iv. The Company had provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note No 38 to the financial statements.

For and on behalf of
M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS
Firm Registration No. :- 101484W / W100197

J.P. Bairagra
Partner
Membership No. 12839

Place: Mumbai
Date: 17 May 2017

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 2017.

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 given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (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 complied with the provision of Section 186 of Companies Act, 2013 in respect of loan given during the year. The Company has not given any loan, provided any guarantees or securities covered under Section 185 of the Companies Act, 2013.
- (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 Income Tax, Customs Duty and Cess which have not been deposited on account of any dispute.

The disputed amounts that have not been deposited in respect of Sales Tax, Service 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 | Interest on sales tax dues | 97,422 | 2006-07 | Gujarat Value Added Tax Tribunal |
| 2. | Central Excise Act, 1944 | Excise duty Dues | 2,50,539 | 2006-2007 to 2009-2010 | Honorable CESTAT |
| | | Service Tax Dues | 38,12,737 | 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 financial institution, government 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 AND CO LLP
CHARTERED ACCOUNTANTS
Firm Registration No. :- 101484W / W100197

J.P. Bairagra
Partner
Membership No. 12839

Place: Mumbai
Date: 17 May 2017

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 2017 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 2017, 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 AND CO LLP
CHARTERED ACCOUNTANTS
Firm Registration No. :- 101484W / W100197

J.P. Bairagra
Partner
Membership No. 12839

Place: Mumbai
Date: 17 May 2017

BALANCE SHEET AS AT 31 MARCH 2017

| Particulars | Note No. | As at 31 March 2017 Rupees | As at 31 March 2016 Rupees |
|---|----------------|-------------------------------|-------------------------------|
| I EQUITY AND LIABILITIES | | | |
| (1) Shareholder's funds | | | |
| (a) Share Capital | 1 | 32,450,000 | 32,450,000 |
| (b) Reserves & Surplus | 2 | 1,112,620,585 | 1,010,897,497 |
| (2) Non-current liabilities | | | |
| (a) Long - term borrowings | 3 | - | 405,837 |
| (b) Deferred tax liabilities (Net) | 4 | 81,564,098 | 83,356,063 |
| (c) Long - term provisions | 5 | 8,701,443 | 7,200,289 |
| (3) Current liabilities | | | |
| (a) Short - term borrowings | 6 | 182,005,066 | 206,604,560 |
| (b) Trade payables | 7 | 37,642,594 | 45,045,562 |
| (c) Other current liabilities | 8 | 57,545,553 | 43,523,369 |
| (d) Short - term provisions | 9 | 8,206,509 | 15,724,489 |
| TOTAL | | 1,520,735,848 | 1,445,207,666 |
| II ASSETS | | | |
| (1) Non - current assets | | | |
| (a) Fixed assets | 10 | | |
| (i) Tangible assets | | 577,809,479 | 604,905,357 |
| (ii) Intangible assets | | 1,244,865 | 2,682,702 |
| (iii) Capital work - in - progress | | 7,766,234 | 12,171,957 |
| (iv) Intangible assets under development | | 770,500 | - |
| (b) Non - current investments | 11 | 24,201,717 | 1,491,740 |
| (c) Long - term loans and advances | 12 | 50,857,235 | 80,132,914 |
| (2) Current assets | | | |
| (a) Inventories | 13 | 416,847,570 | 399,580,732 |
| (b) Trade receivables | 14 | 393,370,967 | 288,217,888 |
| (c) Cash and bank balances | 15 | 15,874,402 | 18,708,747 |
| (d) Short - term loans and advances | 16 | 30,170,580 | 31,352,537 |
| (e) Other current assets | 17 | 1,822,299 | 5,963,092 |
| TOTAL | | 1,520,735,848 | 1,445,207,666 |
| Contingent Liabilities and commitments | 18 | | |
| NOTES ON ACCOUNTS | 1 to 41 | | |

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

As per our report of attached even date.

FOR M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 101484W / W100197

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 : 17 MAY 2017

PLACE : MUMBAI
DATED : 17 MAY 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

| Particulars | Note No. | For the year ended 31 March 2017 Rupees | For the year ended 31 March 2016 Rupees |
|---|----------|--|--|
| <u>INCOME:</u> | | | |
| Revenue from operations | 19 | 1,907,119,712 | 1,681,815,057 |
| Other income | 20 | 6,065,583 | 10,290,202 |
| Total Revenue | | 1,913,185,295 | 1,692,105,259 |
| <u>EXPENSES:</u> | | | |
| Cost of material consumed | 21 | 1,277,333,895 | 1,050,014,868 |
| Purchase of Stock in Trade | 22 | 8,450,215 | 9,133,996 |
| Changes in inventories of finished goods and work - in - progress | 23 | (18,617,269) | 46,983,015 |
| Employee benefits expense | 24 | 118,540,779 | 107,533,277 |
| Finance costs | 25 | 26,939,533 | 33,476,144 |
| Depreciation & amortization expense (Refer Note No. 10) | 10 | 63,975,781 | 63,735,940 |
| Other Expenses | 26 | 217,371,851 | 209,361,153 |
| Total Expenses | | 1,693,994,785 | 1,520,238,393 |
| Profit before exceptional and extraordinary items & tax | | 219,190,509 | 171,866,866 |
| Exceptional Items | | - | - |
| Profit before extraordinary items and tax | | 219,190,509 | 171,866,866 |
| Extraordinary Items | | - | - |
| Profit before tax | | 219,190,509 | 171,866,866 |
| Tax expense: | | | |
| (1) Current tax | | | |
| of Current year | | 79,000,000 | 62,650,000 |
| of Earlier years | | 1,203,328 | (1,447,186) |
| (2) Deferred tax | | (1,791,965) | 1,823,448 |
| Profit for the year | | 140,779,146 | 108,840,604 |
| Earning per equity share: | 27 | | |
| (1) Basic | | 4.34 | 3.35 |
| (2) Diluted | | 4.34 | 3.35 |
| (3) Face Value per share | | 1.00 | 1.00 |

NOTES ON ACCOUNTS
1 to 41

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

As per our report of attached even date.

FOR M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 101484W / W100197

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 : 17 MAY 2017

PLACE : MUMBAI
DATED : 17 MAY 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

| | 2016-17 RUPEES | 2015-16 RUPEES |
|--|---------------------------|---------------------------|
| A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax & Extraordinary Items | 219,190,509 | 171,866,866 |
| Adjustment for: | | |
| Depreciation /Amortisation | 63,975,781 | 63,735,940 |
| Interest income | (4,678,838) | (2,483,915) |
| Interest expense | 24,326,433 | 25,743,149 |
| (Profit)/Loss on Sale of Assets/Obsolescence of Fixed Assets (Net) | (117,188) | - |
| Sundry Balances written off/(back) (net) | (216,316) | 34,217 |
| Unrealised Exchange Rate Fluctuation (Net) | 1,876,249 | 119,820 |
| | <u>85,166,121</u> | <u>87,149,211</u> |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | <u>304,356,630</u> | <u>259,016,077</u> |
| ADJUSTMENTS FOR WORKING CAPITAL CHANGES : | | |
| Trade Receivables | (107,338,267) | 18,257,389 |
| Inventories | (17,266,838) | 50,635,307 |
| Long - term loans and advances | (16,956,537) | 17,253,575 |
| Short - term loans and advances | 12,471,585 | (529,628) |
| Other current assets | 3,779,682 | (2,971,525) |
| Short - term provisions | 1,334,940 | 495,889 |
| Other current liabilities | 16,810,392 | (36,089,667) |
| Trade payables | (7,032,666) | 7,999,472 |
| Long - term provisions | 1,501,154 | 898,559 |
| | <u>(112,696,556)</u> | <u>55,949,371</u> |
| Cash Generated from Operations | <u>191,660,074</u> | <u>314,965,448</u> |
| Direct Taxes paid | <u>(84,164,936)</u> | <u>(50,859,513)</u> |
| NET CASH FROM OPERATING ACTIVITIES | <u>107,495,138</u> | <u>264,105,935</u> |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets including advances for capital goods | (19,027,196) | (96,825,477) |
| Purchase of Investments | (5,513,883) | (17,196,094) |
| Sale of Fixed Assets | 2,579,591 | - |
| Interest Received | 4,812,660 | 3,790,155 |
| | <u>(17,148,828)</u> | <u>(110,231,416)</u> |
| NET CASH USED IN INVESTING ACTIVITY | <u>(17,148,828)</u> | <u>(110,231,416)</u> |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of Short -Term Borrowings (Net) | (24,599,494) | (53,177,188) |
| Repayment of Long -Term Borrowings | (1,409,405) | (7,009,107) |
| Interest Paid | (24,191,877) | (25,715,934) |
| Dividend Paid (Inclusive of Dividend Distribution Tax) | (39,055,168) | (68,348,088) |
| | <u>(89,255,944)</u> | <u>(154,250,317)</u> |
| NET CASH USED IN FINANCING ACTIVITY | <u>(89,255,944)</u> | <u>(154,250,317)</u> |
| NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C) | <u>1,090,366</u> | <u>(375,798)</u> |
| OPENING BALANCE OF CASH & CASH EQUIVALENTS | 908,980 | 1,284,778 |
| CLOSING BALANCE OF CASH & CASH EQUIVALENTS | <u>1,999,346</u> | <u>908,980</u> |
| | <u>1,090,366</u> | <u>(375,798)</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 | 1,824,449 | 607,421 |
| CASH ON HAND | 174,897 | 301,559 |
| | <u>1,999,346</u> | <u>908,980</u> |

- 2 Interest received excludes interest received for overdue payments from customers of Rs.539,554 /- (Previous Year Rs.136,453/-), 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 AND CO LLP

CHARTERED ACCOUNTANTS

Firm Registration Number: 101484W / W100197

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 : 17 MAY 2017

PLACE : MUMBAI
DATED : 17 MAY 2017

NOTES ON ACCOUNTS
Amount in Rs.
1 SHARE CAPITAL

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Authorized Share Capital | | |
| 100,000,000 Equity shares, Re. 1/- par value (Previous Year 32,500,000 equity shares Re. 1/- par value) | 100,000,000 | 32,500,000 |
| | 100,000,000 | 32,500,000 |
| 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 |
| Total Issued, Subscribed and Fully Paid Up Share Capital | 32,450,000 | 32,450,000 |

Note No 1.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31st March 2017 :

| Particulars | As at 31 March 2017 | | As at 31st March 2016 | |
|------------------------------------|---------------------|-------------------|-----------------------|-------------------|
| | 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, 2017 | No. of shares held | % held as at March 31, 2016 |
|--------------------------|-----------------------|--------------------------------|-----------------------|--------------------------------|
| Mr. G.L. Modi | - | - | 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% |
| G.L. Modi HUF | 7,582,130 | 23.37% | 423,760 | 1.31% |

2 RESERVES & SURPLUS

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| 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 | 3,627,726 |
| Less : Transfer to General reserve on sale of assets | 3,550 | - |
| Closing Balance | 3,624,176 | 3,627,726 |
| General Reserve | | |
| Opening Balance | 111,472,091 | 111,472,091 |
| Add: Transferred from revaluation reserve on sale of assets | 3,550 | - |
| Closing Balance | 111,475,641 | 111,472,091 |
| Surplus | | |
| Opening Balance | 876,709,700 | 806,925,153 |
| Add: Transferred from Statement of Profit and Loss | 140,779,146 | 108,840,604 |
| Amount available for appropriation | 1,017,488,846 | 915,765,758 |
| Less : Appropriations | | |
| Interim Dividend | 32,450,000 | 32,450,000 |
| Dividend Tax on Proposed Dividend/Interim Dividend | 6,606,057 | 6,606,057 |
| Closing Balance | 978,432,788 | 876,709,700 |
| Total of Reserves & Surplus | 1,112,620,585 | 1,010,897,497 |

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

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|-----------------------------------|-------------------------|-------------------------|
| Secured Loan | | |
| Term Loans | | |
| From Bank | | |
| Vehicle Loans (Refer Note No 3.1) | - | 405,837 |
| | <u>-</u> | <u>405,837</u> |

Note No 3.1: Terms of Repayment, Nature of Securities in respect of Term Loans

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.

4 DEFERRED TAX LIABILITIES (NET)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Deferred tax liabilities | | |
| On account of difference between depreciation as per books and as per Income- tax Act, 1961 | 86,539,546 | 87,551,181 |
| | <u>86,539,546</u> | <u>87,551,181</u> |
| Less: Deferred tax assets | | |
| On account of expenses allowable on payment basis | 3,967,021 | 3,392,176 |
| On account of allowance for bad & doubtful debts | 1,008,426 | 802,942 |
| | <u>4,975,447</u> | <u>4,195,118</u> |
| Net Deferred Tax Liabilities | <u>81,564,098</u> | <u>83,356,063</u> |

5 LONG-TERM PROVISIONS

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Provisions for Employee Benefits | | |
| Provision for Gratuity | 8,701,443 | 7,200,289 |
| | <u>8,701,443</u> | <u>7,200,289</u> |

6 SHORT-TERM BORROWINGS

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Secured Loans | | |
| Other loans & advances (Refer Note No 6.1) | | |
| From Bank- Working Capital Loan | | |
| Foreign Currency Loan | - | 19,927,349 |
| Rupee Loan | 32,005,066 | 169,056,162 |
| Other loans from Bank | | |
| Foreign Currency Loan (Refer Note No. 6.1) | - | 17,621,049 |
| Unsecured Loans | | |
| From Bank- Working Capital Loan | | |
| Rupee Loan (Refer Note No. 6.2) | 150,000,000 | - |
| | <u>182,005,066</u> | <u>206,604,560</u> |

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.

Note No. 6.2:

Unsecured Loan from HDFC Bank is repayable after 90 days and is carrying rate of interest 9.80%.

7 TRADE PAYABLES

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| Sundry Creditors For Goods (Refer Note No. 7.1) | 10,106,792 | 19,212,398 |
| Sundry Creditors For Expenses (Refer Note No. 7.1) | 27,535,802 | 25,833,164 |
| | <u>37,642,594</u> | <u>45,045,562</u> |

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, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Current Maturities of Long Term Debt (Refer Note No. 3.1) | 365,973 | 1,369,541 |
| Interest Accrued but not due on borrowings | 483,415 | 348,859 |
| Unpaid Dividend | 568,712 | 567,823 |
| <u>Other payables</u> | | |
| Sundry Creditors for Capital Goods | 2,273,673 | 3,812,406 |
| Advances/Deposits From Customers | 48,036,098 | 31,957,238 |
| Statutory Dues Payable | 5,777,683 | 5,427,502 |
| Others | 40,000 | 40,000 |
| | 57,545,553 | 43,523,369 |

9 SHORT - TERM PROVISIONS

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| <u>Provision for Employee Benefits</u> | | |
| Provision for Gratuity | 1,843,585 | 835,126 |
| Provision for Leave Salary | 3,065,844 | 2,739,363 |
| <u>Others</u> | | |
| Provision For Taxation | 3,297,080 | 12,150,000 |
| | 8,206,509 | 15,724,489 |

11 NON CURRENT INVESTMENTS

| Particulars | | As at March 31, 2017 | | As at March 31, 2016 |
|---|------------|-------------------------|------------|-------------------------|
| Non Trade Investments (at cost) | Qty | Amount (Rs.) | Qty | Amount (Rs.) |
| <u>Unquoted</u> | | | | |
| In Equity Instruments | | | | |
| <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 |
| | | 1,491,740 | | |
| In Investment Property | | | | |
| Investment in Residential Flats | | 22,709,977 | | - |
| | | 22,709,977 | | - |
| Aggregate value of Unquoted Investments | | 24,201,717 | | 1,491,740 |

12 LONG - TERM LOANS AND ADVANCES

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| (Unsecured, Considered Good, unless specified otherwise) | | |
| Capital Advances | 36,744,151 | 53,524,934 |
| Deposits | 7,982,198 | 7,987,198 |
| <u>Other Loans & Advances</u> | | |
| Advance recoverable in cash or kind or for value to be received | 179,930 | 303,487 |
| Advance Tax (Net of Provision for Taxation) | 5,897,456 | 18,152,795 |
| Loans and Advances to Employees | 53,500 | 164,500 |
| | 50,857,235 | 80,132,914 |

NOTES ON ACCOUNTS
10 FIXED ASSETS

Amount in Rs.

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION & AMORTISATION | | | | NET BLOCK | |
|--|----------------------|--------------------------|---------------------------|----------------------|-----------------------------|-------------------|---------------------------|--------------------|--------------------|--------------------|
| | AS ON 01.04.2016 | ADDITION DURING THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2017 | AS ON 01.04.2016 | FOR THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2017 | AS AT 31.03.2017 | AS AT 31.03.2016 |
| TANGIBLES ASSETS : | | | | | | | | | | |
| Leasehold Land | 9,446,414 | - | - | 9,446,414 | - | - | - | - | 9,446,414 | 9,446,414 |
| Building (Note No. 10.1) | 133,565,929 | 1,793,643 | - | 135,359,572 | 37,707,465 | 5,508,084 | - | 43,215,549 | 92,144,023 | 95,858,464 |
| Building (SF6 , Plot No. 85 B and Plot No. 85 D&E) | 67,441,877 | - | - | 67,441,877 | 23,943,550 | 2,115,864 | - | 26,059,414 | 41,382,463 | 43,498,327 |
| Plant & Machinery | 539,223,242 | 24,023,899 | 228,249 | 563,018,892 | 304,899,495 | 33,746,051 | 184,394 | 338,461,152 | 224,557,740 | 234,323,747 |
| Plant & Machinery (SF6) | 369,270,532 | 9,038,758 | 2,580,299 | 375,728,991 | 159,357,844 | 16,707,745 | 163,867 | 175,901,722 | 199,827,269 | 209,912,688 |
| Furniture & Fixture | 12,047,237 | 695,461 | - | 12,742,698 | 9,547,382 | 691,179 | - | 10,238,561 | 2,504,137 | 2,499,855 |
| Vehicles | 26,169,769 | 819,731 | - | 26,989,500 | 19,045,712 | 2,421,890 | - | 21,467,602 | 5,521,898 | 7,124,057 |
| Office Equipment | 14,248,722 | 1,440,575 | 42,329 | 15,646,968 | 12,006,917 | 1,254,730 | 40,213 | 13,221,434 | 2,425,534 | 2,241,805 |
| TOTAL TANGIBLE ASSETS | 1,171,413,722 | 37,812,067 | 2,850,877 | 1,206,374,912 | 566,508,365 | 62,445,542 | 388,474 | 628,565,433 | 577,809,479 | 604,905,357 |
| PREVIOUS YEAR | 1,074,623,704 | 96,790,018 | - | 1,171,413,722 | 504,215,362 | 62,293,003 | - | 566,508,365 | 604,905,357 | |
| INTANGIBLES ASSETS : | | | | | | | | | | |
| Computer Software | 9,459,279 | 92,402 | - | 9,551,681 | 6,776,577 | 1,530,239 | - | 8,306,816 | 1,244,865 | 2,682,702 |
| Technical Know How | 808,687 | - | - | 808,687 | 808,687 | - | - | 808,687 | - | - |
| TOTAL INTANGIBLE ASSETS | 10,267,966 | 92,402 | - | 10,360,368 | 7,585,264 | 1,530,239 | - | 9,115,503 | 1,244,865 | 2,682,702 |
| PREVIOUS YEAR | 9,831,108 | 436,858 | - | 10,267,966 | 6,142,327 | 1,442,937 | - | 7,585,264 | 2,682,702 | |
| C W I P - TANGIBLE | | | | | | | | | | |
| Current Year | - | - | - | - | - | - | - | - | 7,766,234 | 12,171,957 |
| Previous Year | - | - | - | - | - | - | - | - | 12,171,957 | |
| INTANGIBLE ASSETS UNDER DEVELOPMENT | | | | | | | | | | |
| Current Year | - | - | - | - | - | - | - | - | 770,500 | - |
| Previous Year | - | - | - | - | - | - | - | - | - | - |

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

NOTES ON ACCOUNTS
Amount in Rs.
13 INVENTORIES

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Raw Material (Refer Note No.13.1) | 53,357,944 | 53,574,728 |
| Work-in-progress (Refer Note No.13.2) | 351,945,953 | 322,193,575 |
| Finished Goods | 4,426,231 | 10,291,477 |
| Stores & Spares & Consumable Tools (Refer Note No.13.3) | 770,436 | 1,822,718 |
| Scrap | 5,930,193 | 11,200,056 |
| Packing Material | 416,813 | 498,178 |
| | 416,847,570 | 399,580,732 |

Note No. 13.1 :

Raw Material includes goods in transit Rs.12,610,728/-(Previous Year Rs. 12,362,103).

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.Nil/- (Previous Year Rs.561,571)

14 TRADE RECEIVABLES

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| (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) | 6,465,229 | 13,882,214 |
| Considered Doubtful | 2,913,855 | 2,320,107 |
| | <u>9,379,084</u> | <u>16,202,321</u> |
| Less : Allowance for Doubtful Debts | 2,913,855 | 2,320,107 |
| Others debts considered good | 386,905,738 | 274,335,674 |
| | 393,370,967 | 288,217,888 |

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, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| Cash & Cash Equivalents | | |
| <u>Balance with Banks</u> | | |
| In Current account | 1,824,449 | 607,421 |
| Cash on Hand | 174,897 | 301,559 |
| <u>Other Bank Balances</u> | | |
| Unpaid Dividend account | 568,712 | 567,823 |
| Margin Money Deposits (Refer Note No.15.1) | 13,306,345 | 17,231,944 |
| | 15,874,402 | 18,708,747 |

Note No. 15.1:

Margin Money deposits amounting to Rs. 8,306,345/- (Previous Year Rs. 17,231,944/-) are lying with Bank towards Bank Guarantees, Buyers Credit and Letters of Credit & Rs.50,00,000/- is lying with Reliance Commodities Limited towards margin for forward commodity contract (Hedging)

NOTES ON ACCOUNTS
16 SHORT TERM LOANS & ADVANCES

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| (Unsecured, Considered Good, unless specified otherwise) | | |
| Deposits | 4,184,069 | 535,837 |
| Others | | |
| Advance recoverable in cash or kind or for value to be received | 7,179,140 | 7,069,871 |
| Advance Tax | 12,430,176 | 5,066,149 |
| Balance with Government Authorities | 5,008,369 | 10,992,349 |
| Advances to suppliers | 682,674 | 6,678,476 |
| Loans and Advances to Employees | 686,153 | 1,009,855 |
| | 30,170,580 | 31,352,537 |

Note No. 16.1:

The company had given short term loan to a company for their working capital requirements and the same has been received back during the year. The rate of interest charged was 15%.

17 OTHER CURRENT ASSETS

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--------------------------|-------------------------|-------------------------|
| Interest Receivable | 1,301,535 | 1,435,357 |
| Duty Drawback Receivable | 488,613 | 4,495,584 |
| Other Receivable | 32,151 | 32,151 |
| | 1,822,299 | 5,963,092 |

18 CONTINGENT LIABILITIES AND COMMITMENTS
a) CONTINGENT LIABILITIES

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Disputed Income Tax Liabilities | 190,923 | 9,680,487 |
| Disputed Sales Tax Liabilities | 3,317,838 | 3,015,144 |
| Disputed Central Excise & Service Tax Liabilities | 4,248,761 | 2,628,078 |
| Bond issued under Export Promotion Capital Goods Scheme | 15,674,582 | 22,819,000 |
| | 23,432,104 | 38,142,709 |

b) COMMITMENTS

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Estimated amounts of Contracts remaining to be executed on Capital account and not provided for (Net of Advances) | 27,441,743 | 28,358,152 |
| | 27,441,743 | 28,358,152 |

NOTES ON ACCOUNTS
19 REVENUE FROM OPERATIONS

| Particulars | Year ended | Amount in Rs. Year ended |
|---------------------------------------|----------------------|-----------------------------|
| | March 31, 2017 | March 31, 2016 |
| Sale of Products (Refer Note No 19.1) | 2,076,308,020 | 1,826,897,451 |
| Sale of Services (Refer Note No 19.2) | 219,237 | 13,750 |
| <u>Other Operating Revenue</u> | | |
| Profit on Hedging Contracts | - | 5,525,346 |
| Duty Draw Back Received | 2,464,297 | 2,971,525 |
| Less : Excise Duty | 171,871,842 | 153,593,015 |
| | 1,907,119,712 | 1,681,815,057 |

Note No 19.1 : Sale of Products

| Particulars | 2016-17 | 2015-16 |
|--|----------------------|----------------------|
| Electrical Contacts/ Electrical Contact Material | 1,967,577,877 | 1,727,717,987 |
| Others | 108,730,144 | 99,179,464 |
| | 2,076,308,020 | 1,826,897,451 |

Note No 19.2 : Sale of Services

| | 2016-17 | 2015-16 |
|----------|----------------|---------------|
| Job Work | 219,237 | 13,750 |
| | 219,237 | 13,750 |

20 OTHER INCOME

| Particulars | Year ended | Year ended |
|--------------------------------------|------------------|-------------------|
| | March 31, 2017 | March 31, 2016 |
| Interest Income (Refer Note No 20.1) | 5,218,392 | 2,620,368 |
| Profit on Sale of Fixed Assets (Net) | 117,188 | - |
| Foreign Exchange Fluctuation (Net) | - | 7,134,392 |
| Miscellaneous Income | 730,003 | 535,442 |
| | 6,065,583 | 10,290,202 |

Note No. 20.1 : Break-up of Interest income

| | 2016-17 | 2015-16 |
|---|------------------|------------------|
| Interest income on deposits with banks | 1,239,930 | 1,791,015 |
| Interest income on deposits with others | 1,550,967 | 692,900 |
| Interest income on Income tax refund | 1,887,941 | - |
| Interest income from customers | 539,554 | 136,453 |
| | 5,218,392 | 2,620,368 |

21 COST OF MATERIAL CONSUMED

| Particulars | Year ended | Year ended |
|---|----------------------|----------------------|
| | March 31, 2017 | March 31, 2016 |
| <u>RAW MATERIAL CONSUMED</u> | | |
| Opening Stock of Raw Material | 41,212,625 | 58,262,063 |
| Add : Purchases of Raw Material | 1,278,889,763 | 1,032,965,430 |
| | 1,320,102,388 | 1,091,227,493 |
| Less : Sale of Raw Material | 2,021,277 | - |
| Less : Closing Stock of Raw Material | 40,747,216 | 41,212,625 |
| Cost of Materials Consumed (Refer Note No. 21.1) | 1,277,333,895 | 1,050,014,868 |

Note No. 21.1 : Cost of Material Consumed

| | 2016-17 | 2015-16 |
|------------------------------------|----------------------|----------------------|
| Silver | 964,693,049 | 729,934,305 |
| Tungsten Metal Powder | 86,658,889 | 101,122,594 |
| Copper Chromium/Zirconium Rod/Tube | 63,868,977 | 66,957,973 |
| ETP Cu Flat/Rod/Tube/Strips | 55,625,032 | 43,789,161 |
| Others | 106,487,948 | 108,210,835 |
| | 1,277,333,895 | 1,050,014,868 |

22 PURCHASE OF STOCK IN TRADE

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|----------------------------------|------------------------------|------------------------------|
| <u>Traded goods</u> | | |
| Copper Chromium Zirconium Billet | 8,432,215 | 9,133,996 |
| Silver Bullion | 18,000 | - |
| | <u>8,450,215</u> | <u>9,133,996</u> |

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

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|-------------------------------------|------------------------------|------------------------------|
| Finished Goods | | |
| Opening Stock | 10,291,477 | 7,399,011 |
| Closing Stock | <u>4,426,231</u> | <u>10,291,477</u> |
| | 5,865,246 | (2,892,466) |
| Work-in- Progress | | |
| Opening Stock | 322,193,575 | 372,436,846 |
| Closing Stock (Refer Note No. 13.2) | <u>351,945,953</u> | <u>322,193,575</u> |
| | (29,752,378) | 50,243,271 |
| Scrap | | |
| Opening Stock | 11,200,056 | 10,832,266 |
| Closing Stock | <u>5,930,193</u> | <u>11,200,056</u> |
| | 5,269,863 | (367,790) |
| | <u>(18,617,269)</u> | <u>46,983,015</u> |

24 EMPLOYEE BENEFITS EXPENSE

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|------------------------------|------------------------------|
| Salaries & Wages | 109,663,981 | 99,544,442 |
| Contribution to Provident & Other Funds | 4,800,717 | 4,407,191 |
| Staff Welfare Expenses | 4,076,081 | 3,581,644 |
| | <u>118,540,779</u> | <u>107,533,277</u> |

NOTES ON ACCOUNTS
25 FINANCE COSTS

| Particulars | Year ended March 31, 2017 | Amount in Rs. Year ended March 31, 2016 |
|---|------------------------------|---|
| Interest Expense (Refer Note No 25.1) | 24,326,433 | 25,743,149 |
| <u>Other Borrowing Cost</u> | | |
| Bank Finance Cost | 2,468,986 | 3,352,994 |
| Net Gain/Loss on Foreign currency transactions and translation (considered as finance cost) | 144,114 | 4,380,001 |
| | <u>26,939,533</u> | <u>33,476,144</u> |
| Note No. 25.1 : Break-up of Interest Expense | 2016-17 | 2015-16 |
| Interest expense on bank borrowings | 24,245,000 | 25,486,422 |
| Interest expense on vehicle loan from other | 81,433 | 256,727 |
| | <u>24,326,433</u> | <u>25,743,149</u> |

26 OTHER EXPENSES

| Particulars | Year ended | Year ended |
|--|--------------------|--------------------|
| | March 31, 2017 | March 31, 2016 |
| Consumption of Stores and Spares | 33,048,448 | 31,505,424 |
| Consumable Tools & Dies | 16,438,229 | 17,964,623 |
| Packing Expenses | 2,720,968 | 3,260,169 |
| Power & fuel | 43,889,955 | 44,053,031 |
| Processing & Labour Charges | 37,709,038 | 36,782,096 |
| <u>Repairs and Maintenance</u> | | |
| -Buildings | 1,890,741 | 934,510 |
| -Machinery | 7,271,914 | 5,163,442 |
| -Others | 2,313,655 | 1,660,072 |
| Rent | 1,253,700 | 1,310,177 |
| Rates and taxes | 769,544 | 749,236 |
| Advertisement & Sales Promotion | 2,330,404 | 1,336,432 |
| Bank Charges | 3,134,121 | 2,390,113 |
| Commission on Sales | 773,804 | 3,907,814 |
| Payment to Statutory Auditor (Refer Note No. 26.1) | 488,375 | 605,043 |
| Cost Audit Fees | 75,000 | 50,250 |
| Electricity Expenses | 294,180 | 329,870 |
| Royalty | 1,861,268 | 1,718,473 |
| Travelling and Conveyance Expenses | 5,899,484 | 5,288,132 |
| Legal & Professional Charges | 4,820,881 | 9,055,544 |
| Telephone & Telex Expenses | 1,234,365 | 1,054,130 |
| Vehicle Expenses | 3,414,873 | 3,094,873 |
| Directors' Fees | 370,000 | 390,000 |
| Insurance | 1,077,018 | 1,068,277 |
| Loss on Hedging Contracts | 4,955,015 | - |
| In house R&D Expenses | 1,449,668 | 1,042,844 |
| CSR Expenditure | 3,867,240 | 2,819,590 |
| Donation | 3,196,000 | 2,510,000 |
| Bad Debts Written off | 176,886 | 479,430 |
| Allowance for Doubtful Debts | 593,748 | 1,501,344 |
| Exchange Fluctuation (Net) | 111,692 | - |
| Miscellaneous Expenses | 29,941,636 | 27,336,214 |
| | 217,371,851 | 209,361,153 |

Note No. 26.1 : Payment to Statutory Auditors
As Auditor

| | | |
|---------------------|---------|---------|
| Audit Fees | 260,000 | 260,000 |
| Tax Audit Fees | 125,000 | 125,000 |
| Limited Review Fees | 67,000 | 57,000 |
| Service Tax * | 67,800 | 63,805 |

In other capacity

| | | |
|----------------------------------|--------|---------|
| Company law Matters | - | 13,000 |
| Certification and Other Services | 36,375 | 138,000 |
| Service Tax * | 5,010 | 20,056 |

| | | |
|--|----------------|----------------|
| | 561,185 | 676,861 |
|--|----------------|----------------|

* Out of above Service Tax credit of Rs.72,810/- (Previous Year Rs. 71,818/-) 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, 2017 | March 31, 2016 |
| Profit attributable to Equity Shareholders (Rs.) | 140,779,146 | 108,840,604 |
| 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.) | 4.34 | 3.35 |

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 | 2016-17 | 2015-16 |
|--------------------------------|-----------|-----------|
| Contribution to Provident Fund | 3,263,324 | 3,123,579 |

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 | 2016-17 | | 2015-16 | |
|--------|---|------------------|-------------|------------------|------------|
| | | 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 | 5.00% | 5.00% | 4.00% | 4.00% |
| II | Changes in present value of obligations | | | | |
| (a) | Present value of obligations as at the beginning of year | 1,633,380 | 12,469,991 | 1,346,131 | 10,901,147 |
| (b) | Interest cost | 130,670 | 997,599 | 107,690 | 872,092 |
| (c) | Current Service Cost | 108,670 | 9,748 | 124,988 | 828,571 |
| (d) | Benefits Paid | (32,446) | (761,758) | - | (358,666) |
| (e) | Actuarial (gain)/loss on obligations | 213,738 | 2,005,069 | 54,571 | 226,847 |
| (f) | Present value of obligations as at the end of year | 2,054,012 | 14,720,649 | 1,633,380 | 12,469,991 |
| III | Changes in the fair value of plan assets | | | | |
| (a) | Fair value of plan assets at the beginning of year | 1,374,910 | 11,634,865 | 925,681 | 9,336,054 |
| (b) | Expected return on plan assets | 131,138 | 1,023,269 | 19,742 | 979,647 |
| (c) | Contributions | 248,854 | 980,688 | 429,486 | 1,677,830 |
| (d) | Benefits paid | (32,446) | (761,758) | - | (358,666) |
| (e) | Actuarial gain on Plan assets | - | - | - | - |
| (f) | Fair value of plan assets at the end of year | 1,722,456 | 12,877,064 | 1,374,910 | 11,634,865 |
| IV | Fair value of plan assets | | | | |
| (a) | Fair value of plan assets at the beginning of year | 1,374,910 | 11,634,865 | 925,681 | 9,336,054 |
| (b) | Actual return on plan assets | 131,138 | 1,023,269 | 19,742 | 979,647 |
| (c) | Contributions | 248,854 | 980,688 | 429,486 | 1,677,830 |
| (d) | Benefits Paid | (32,446) | (761,758) | - | (358,666) |
| (e) | Fair value of plan assets at the end of year | 1,722,456 | 12,877,064 | 1,374,910 | 11,634,865 |
| (f) | Funded status | (331,556) | (1,843,585) | (258,470) | (835,126) |
| (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 | (213,738) | (2,005,069) | (54,571) | (226,847) |
| (b) | Actuarial gain for the year - plan assets | - | - | - | - |
| (c) | Total gain for the year | 213,738 | 2,005,069 | 54,571 | 226,847 |
| (d) | Actuarial gain recognized in the year | 213,738 | 2,005,069 | 54,571 | 226,847 |
| 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 | 2,054,012 | 14,720,649 | 1,633,380 | 12,469,991 |
| (b) | Fair value of plan assets as at the end of the year | 1,722,456 | 12,877,064 | 1,374,910 | 11,634,865 |
| (c) | Funded status | (331,556) | (1,843,585) | (258,470) | (835,126) |
| (d) | Net (liability)/asset recognized in balance sheet | 331,556 | (1,843,585) | (258,470) | (835,126) |
| VII | Expenses Recognised in statement of Profit & Loss | | | | |
| (a) | Current Service cost | 108,670 | 9,748 | 124,988 | 828,571 |
| (b) | Interest Cost | 130,670 | 997,599 | 107,690 | 872,092 |
| (c) | Expected return on plan assets | (131,138) | (1,023,269) | (19,742) | (979,647) |
| (d) | Net Actuarial gain recognised in the year | 213,738 | 2,005,069 | 54,571 | 226,847 |
| (e) | Expenses recognised in statement of Profit & Loss Account | 321,940 | 1,989,147 | 267,507 | 947,863 |

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 | 2016-17 | | 2015-16 | |
|-----------------------|---------------|---------------|---------------|---------------|
| | Within India | Outside India | Within India | Outside India |
| Segment Revenue | 1,644,157,940 | 269,027,355 | 1,431,178,062 | 260,927,197 |
| Segment Assets | 1,457,818,340 | 67,892,955 | 1,357,219,810 | 92,182,975 |
| Addition Fixed Assets | 37,904,469 | - | 97,226,876 | - |

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.

31 RELATED PARTY DISCLOSURES

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

- 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 Pvt. Ltd.
- Enterprises over which Company has Control:
 - Modison Contacts Pvt Ltd - Subsidiary Company
- 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
- 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 | 2016-17 | 2015-16 |
|-------|---------------------------------------|--|------------|------------|
| | | | (Rs.) | (Rs.) |
| 1 | Mr. G.L. Modi | Remuneration Paid (including Other benefits) | 14,041,918 | 13,970,448 |
| 2 | Mr. Rajkumar Modi | Remuneration Paid (including Other benefits) | 7,900,483 | 5,421,985 |
| 3 | Mr. Kumar Jay Modi | Rent Paid | 192,000 | 192,000 |
| | | Remuneration Paid (including Other benefits) | 3,161,685 | 3,217,250 |
| 4 | Mr. Rakesh Singh | Remuneration Paid (including Other benefits) | 4,806,013 | 1,591,714 |
| 5 | Mrs. Chandramani Devi Modi | Rent Paid | 300,000 | 300,000 |
| 6 | Modicon Pvt. Ltd. | Sale of Goods | 1,241,589 | 3,309,680 |
| 7 | Modison Copper Pvt. Ltd. | Purchase of Goods | 90,712,554 | 90,107,595 |
| | | Sale of Goods | 21,058,648 | 14,571,165 |
| | | Service Rendered | 65,304 | 13,750 |
| | | Service Received | 11,622,288 | 13,785,396 |
| 8 | Dishah Innovative Solutions Pvt. Ltd. | Sale of Goods | - | 110,411 |
| | | Service Received | 376,946 | 240,458 |
| 9 | Modison (Partnership Firm) | Royalty (incl. Service Tax | 2,116,737 | 1,943,557 |
| 10 | Modison Engineering Pvt. Ltd. | Sale of Goods | 28,012 | 22,406 |

(C) Balance at the year end.

| S.No. | Related parties | Nature of Transactions | 31.03.2017 | 31.03.2016 |
|-------|---------------------------------------|--|------------|------------|
| 1. | Mr. G. L. Modi | Remuneration Payable (Including Gratuity & Leave Salary Payable) | 5,019,330 | 4,162,758 |
| 2. | Mr. Rajkumar Modi | Remuneration Payable (Including Gratuity & Leave Salary Payable) | 4,600,136 | 3,346,596 |
| 3. | Mr. Kumar Jay Modi | Remuneration Payable (Including Gratuity & Leave Salary Payable) | 1,332,108 | 1,239,993 |
| 4 | Mr. Rakesh Singh | Remuneration Payable | 249,240 | 211,520 |
| 5 | Dishah Innovative Solutions Pvt. Ltd. | Trade Payable | - | 81,668 |

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 31.03.2017 | | As on 31.03.2016 | | Foreign Currency |
|-------------------|------------------|----------------------------|------------------|----------------------------|------------------|
| | Amount in Rs. | Amount in Foreign Currency | Amount in Rs. | Amount in Foreign Currency | |
| Amount Receivable | 56,750,401 | 827,627 | 66,330,622 | 894,667 | EUR |
| | - | - | 27,953.64 | 297.00 | GBP |
| | 11,142,554 | 172,860 | 25,824,399 | 392,587 | USD |

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

| Particulars | As on 31.03.2017 | | As on 31.03.2016 | | Foreign Currency |
|------------------------------|------------------|----------------------------|------------------|----------------------------|------------------|
| | Amount in Rs. | Amount in Foreign Currency | Amount in Rs. | Amount in Foreign Currency | |
| Amount Payable | 755,248 | 10,819 | 11,485,413 | 152,165 | EUR |
| | - | - | 342,594 | 3,586 | GBP |
| | 9,953,579 | 152,897 | 7,902,324 | 118,939 | USD |
| | 4,284 | 65.60 | - | - | CHF |
| Loan Liability | - | - | 17,323,908 | 260,745 | USD |
| | - | - | 20,224,489 | 267,945 | EURO |
| Interest accrued but not due | - | - | 86,250 | 1,298 | USD |
| | - | - | 38,711 | 513 | EURO |

32 VALUE OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED

Amount in Rs.

| Particulars | 2016-17 | | 2015-16 | |
|-----------------------------|---------|---------------|---------|---------------|
| | % | Value | % | Value |
| Raw Material | | | | |
| Imported | 12.16 | 155,346,768 | 16.66 | 174,956,338 |
| Indigenous | 87.84 | 1,121,987,127 | 83.34 | 875,058,529 |
| | 100.00 | 1,277,333,895 | 100.00 | 1,050,014,868 |
| Stores, Spares & Components | | | | |
| Imported | 16.23 | 5,364,975 | 11.99 | 3,778,656 |
| Indigenous | 83.77 | 27,683,473 | 88.01 | 27,726,768 |
| | 100.00 | 33,048,448 | 100.00 | 31,505,424 |

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

| Particulars | 2016-17 | 2015-16 |
|----------------------------|-------------|-------------|
| Raw Material | 153,751,171 | 152,294,685 |
| Capital Goods | 12,332,015 | 26,612,335 |
| Components and Spare Parts | 5,766,717 | 6,848,108 |
| Total | 171,849,903 | 185,755,128 |

34 EXPENDITURE IN FOREIGN CURRENCY

| Particulars | 2016-17 | 2015-16 |
|--------------------|------------|------------|
| Foreign Travelling | 1,284,383 | 1,028,180 |
| Commission | 450,926 | 3,874,305 |
| Traded Goods | 8,432,215 | 9,094,614 |
| Packing Material | - | 2,578 |
| Interest | 369,001 | 771,668 |
| Others | 3,282,945 | 2,588,321 |
| Total | 13,819,470 | 17,359,666 |

35 EARNINGS IN FOREIGN CURRENCY

| Particulars | 2016-17 | 2015-16 |
|-----------------------------|-------------|-------------|
| Exports at F.O.B. Value | 251,811,898 | 247,369,552 |
| Freight recovered | 6,275,568 | 5,510,304 |
| Insurance premium recovered | 114,675 | 19,019 |
| Others | 416,330 | - |
| Total | 258,618,471 | 252,898,875 |

36 RESEARCH AND DEVELOPMENT EXPENDITURE

| Particulars | 2016-17 | 2015-16 |
|---|-----------|-----------|
| Capital Expenditure included in Fixed Assets | 4,143,209 | 1,440,663 |
| Contribution to Scientific Research Association | 2,115,200 | - |
| Revenue Expenditure included in Employee Benefit | 3,383,554 | 2,984,169 |
| Revenue Expenditure included in Other Expenses & depreciation on R&D Capital assets | 3,239,934 | 2,759,462 |

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 12,53,700/- (Previous Year: 13,10,177/-) 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 Disclosure On Specified Bank Notes (SBNs)

Details of Specified Bank Notes held and transacted during the demonetization period (8th November, 2016 to 30th December, 2016) as provided in the table below:

| Particulars | SBN* | Amount in Rs. | |
|--|-----------|--------------------------|----------------|
| | | Other Denomination notes | Total |
| Closing Cash in hand as at November 8, 2016 | 3,613,500 | 136,969 | 3,750,469 |
| Add : Permitted Receipts | - | 778,553 | 778,553 |
| Less : Permitted Payments | - | 625,088 | 625,088 |
| Less : Amount deposited in Bank(s) | 3,613,500 | 125,255 | 3,738,755 |
| Closing Cash in hand as at December 30,2016 | - | 165,179 | 165,179 |

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

40 **SIGNIFICANT ACCOUNTING POLICIES**

(A) Basis of Preparation of Financial Statement

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

(B) Use of Estimates

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

(C) Inventories Valuation

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

(D) Cash and Cash Equivalents

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

(E) Revenue Recognition

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

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

(F) Other Income

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

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

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

(G) Fixed Assets & Depreciation / Amortisation

i) Certain assets had been revalued by the Company in the year 1993 - 1994, these assets are appearing at revalued amounts less accumulated depreciation. All other assets are appearing at historical cost less accumulated depreciation.

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

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

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

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

v) Intangible Assets are identified when they are expected to provide future enduring economic benefits. The assets are identified in the year in which the relevant asset is put to use. The assets are amortised over a period of estimated useful life as determined by the management. Expenditure on Know-How is amortised over a period of 10 years on Straight Line Method. Expenditure on Software is amortised over a period of five year on straight line method.

(H) Foreign Currency Transaction

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

(I) Investments

Long term investments are stated at cost. Provision for diminution in the value of investments is made only if such decline is other than temporary in the opinion of the management. Current investment are carried individually, at the lower of cost and fair market price.

(J) Employee Benefit

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

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

iii) Liabilities in respect of Defined Benefit Plans are determined based on actuarial valuation made by an independent actuary as at the Balance Sheet date. The actuarial gains or losses are recognised immediately in the Statement of Profit and Loss.

iv) In case of non-member of the Gratuity Fund, the same is provided as per the approval of Central Government and as per Payment of Gratuity Act, 1972, wherever applicable.

(K) Segment Report

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

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

(L) Borrowing Cost

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

(M) Earning Per Share

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

(N) Taxation

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

(ii) The Deferred Tax for timing difference between Book Profits and Tax Profits for the year is accounted for using the tax rate and laws that have been enacted or substantially enacted as of the Balance Sheet Date. Deferred Tax assets arising from timing differences are recognized to the extent there is a virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet Date.

(O) Lease

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

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

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

P) Research and Development Expenses

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

(Q) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(R) Provision & Contingent Liability

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

(S) Operating Cycle

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

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

As per our report of attached even date.

FOR M L BHUWANIA AND CO LLP

CHARTERED ACCOUNTANTS

Firm Registration Number: 101484W / W100197

J.P. BAIRAGRA

PARTNER

MEMBERSHIP NO. 12839

PLACE : MUMBAI

DATED : 17 MAY 2017

FOR AND ON BEHALF OF THE BOARD

G.L. MODI

MANAGING DIRECTOR

DIN: 00027373

RAMESH KOTHARI

CHIEF FINANCIAL OFFICER

PLACE : MUMBAI

DATED : 17 MAY 2017

SURESH MODY

DIRECTOR

DIN: 00027432

DEEPASHREE DADKAR

COMPANY SECRETARY

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, 2017, 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 2017 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 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 2017 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 2017 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. 18(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.
- iv. The Company had provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note No. 35 to the financial statements.

For and on behalf of
M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS
Firm Registration No. :- 101484W / W100197

J.P. Bairagra
Partner
Membership No. 12839

Place: Mumbai
Date: 17 May 2017

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, 2017, 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 2017 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to 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 2017, 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 AND CO LLP
CHARTERED ACCOUNTANTS
Firm Registration No. :- 101484W / W100197

J.P. Bairagra
Partner
Membership No. 12839

Place: Mumbai
Date: 17 May 2017

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017

| Particulars | Note No. | As at 31 March 2017 Rupees | As at 31 March 2016 Rupees |
|---|----------|----------------------------------|----------------------------------|
| I EQUITY AND LIABILITIES | | | |
| (1) Shareholder's funds | | | |
| (a) Share Capital | 1 | 32,450,000 | 32,450,000 |
| (b) Reserves & Surplus | 2 | 1,112,652,464 | 1,010,882,693 |
| (2) Minority Interest | | 1,002,347 | 971,225 |
| (3) Non-current liabilities | | | |
| (a) Long - term borrowings | 3 | - | 405,837 |
| (b) Deferred tax liabilities (Net) | 4 | 81,558,182 | 83,348,964 |
| (c) Long - term provisions | 5 | 8,701,443 | 7,200,289 |
| (4) Current liabilities | | | |
| (a) Short - term borrowings | 6 | 182,005,066 | 206,604,560 |
| (b) Trade payables | 7 | 37,656,969 | 45,059,875 |
| (c) Other current liabilities | 8 | 57,545,553 | 43,523,369 |
| (d) Short - term provisions | 9 | 8,235,010 | 15,747,462 |
| TOTAL | | 1,521,807,034 | 1,446,194,274 |
| II ASSETS | | | |
| (1) Non - current assets | | | |
| (a) Fixed assets | 10 | | |
| (i) Tangible assets | | 577,809,479 | 604,905,357 |
| (ii) Intangible assets | | 1,244,865 | 2,682,702 |
| (iii) Capital work - in - progress | | 7,766,234 | 12,171,957 |
| (iv) Intangible assets under development | | 770,500 | - |
| (b) Goodwill on Consolidation | 38 | 20,100 | 20,100 |
| (c) Non - current investments | 11 | 22,709,977 | - |
| (d) Long - term loans and advances | 12 | 51,195,025 | 80,466,475 |
| (2) Current assets | | | |
| (a) Inventories | 13 | 416,847,570 | 399,580,732 |
| (b) Trade receivables | 14 | 393,370,967 | 288,217,888 |
| (c) Cash and bank balances | 15 | 17,936,455 | 20,799,087 |
| (d) Short - term loans and advances | 16 | 30,204,928 | 31,386,884 |
| (e) Other current assets | 17 | 1,930,934 | 5,963,092 |
| TOTAL | | 1,521,807,034 | 1,446,194,274 |
| Contingent Liabilities and commitments | 18 | | |
| NOTES ON ACCOUNTS | 1 to 39 | | |

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

As per our report of attached even date.
FOR M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS
Firm Registration No. :- 101484W / W100197

J.P. BAIRAGRA
PARTNER
MEMBERSHIP NO. 12839

PLACE : MUMBAI
DATED : 17 MAY 2017

FOR AND ON BEHALF OF THE BOARD

G.L. MODI
MANAGING DIRECTOR
DIN: 00027373

SURESH MODY
DIRECTOR
DIN: 00027432

RAMESH KOTHARI
CHIEF FINANCIAL OFFICER

DEEPASHREE DADKAR
COMPANY SECRETARY

PLACE : MUMBAI
DATED : 17 MAY 2017

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

| Particulars | Note No. | For the year ended 31 March 2017 Rupees | For the year ended 31 March 2016 Rupees |
|---|----------|--|--|
| INCOME: | | | |
| Revenue from operations | 19 | 1,907,119,712 | 1,681,815,057 |
| Other income | 20 | 6,186,289 | 10,290,202 |
| Total Revenue | | 1,913,306,001 | 1,692,105,259 |
| EXPENSES: | | | |
| Cost of material consumed | 21 | 1,277,333,895 | 1,050,014,868 |
| Purchase of Stock in Trade | 22 | 8,450,215 | 9,133,996 |
| Changes in inventories of finished goods and work - in - progress | 23 | (18,617,269) | 46,983,015 |
| Employee benefits expense | 24 | 118,540,779 | 107,533,277 |
| Finance costs | 25 | 26,939,533 | 33,476,144 |
| Depreciation & amortization expense | 10 | 63,975,781 | 63,735,940 |
| Other Expenses | 26 | 217,400,200 | 209,385,797 |
| Total Expenses | | 1,694,023,134 | 1,520,263,037 |
| Profit before exceptional and extraordinary items & tax | | 219,282,866 | 171,842,222 |
| Exceptional Items | | - | - |
| Profit before extraordinary items and tax | | 219,282,866 | 171,842,222 |
| Extraordinary Items | | - | - |
| Profit before tax | | 219,282,866 | 171,842,222 |
| Tax expense: | | | |
| (1) Current tax | | | |
| of Current year | | 79,017,599 | 62,650,000 |
| of Earlier years | | 1,203,328 | (1,448,426) |
| (2) MAT credit entitlement | | (4,230) | - |
| (3) Deferred tax | | (1,790,782) | 1,823,448 |
| | | 140,856,951 | 108,817,200 |
| Less: Share of loss attributable to Minority Interest | | 31,122 | (9,361) |
| Profit for the year | | 140,825,829 | 108,826,561 |
| Earning per equity share: | 27 | | |
| (1) Basic | | 4.34 | 3.35 |
| (2) Diluted | | 4.34 | 3.35 |
| (3) Face Value per share | | 1.00 | 1.00 |

NOTES ON ACCOUNTS
1 to 39

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 AND CO LLP
CHARTERED ACCOUNTANTS
Firm Registration No. :- 101484W / W100197

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 : 17 MAY 2017
PLACE : MUMBAI
DATED : 17 MAY 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

| | 2016-17 | 2015-16 |
|--|----------------------|----------------------|
| | RUPEES | RUPEES |
| A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax & Extraordinary Items | 219,282,866 | 171,842,222 |
| Adjustment for: | | |
| Depreciation /Amortisation | 63,975,781 | 63,735,940 |
| Interest income | (4,799,544) | (2,483,915) |
| Interest expense | 24,326,433 | 25,743,149 |
| (Profit)/Loss on Sale of Assets/Obsolescence of Fixed Assets (Net) | (117,188) | - |
| Sundry Balances written off/(back) (net) | (216,316) | 34,217 |
| Unrealised Exchange Rate Fluctuation (Net) | 1,876,249 | 87,149,211 |
| | <u>85,045,415</u> | <u>119,820</u> |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 304,328,281 | 258,991,433 |
| ADJUSTMENTS FOR WORKING CAPITAL CHANGES : | | |
| Trade Receivables | (107,338,267) | 18,257,389 |
| Inventories | (17,266,838) | 50,635,307 |
| Long - term loans and advances | (16,956,537) | 17,253,575 |
| Short - term loans and advances | 10,571,585 | (529,627) |
| Other current assets | 3,779,682 | (2,971,525) |
| Short - term provisions | 1,334,940 | 495,889 |
| Other current liabilities | 16,810,392 | (36,089,667) |
| Trade payables | (7,032,604) | 7,999,740 |
| Long - term provisions | 1,501,154 | 898,559 |
| | <u>(114,596,494)</u> | <u>55,949,640</u> |
| Cash Generated from Operations | 189,731,788 | 314,941,073 |
| Direct Taxes paid | (84,177,007) | (50,858,273) |
| NET CASH FROM OPERATING ACTIVITIES | 105,554,781 | 264,082,800 |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets including advances for capital goods | (19,027,196) | (96,825,477) |
| Purchase of Investments | (5,513,883) | (17,196,094) |
| Sale of Fixed Assets | 2,579,591 | - |
| Interest Received | 4,824,731 | 3,790,155 |
| | <u>(17,136,757)</u> | <u>(110,231,416)</u> |
| NET CASH USED IN INVESTING ACTIVITY | (17,136,757) | (110,231,416) |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of Short -Term Borrowings (Net) | (24,599,494) | (53,177,188) |
| Repayment of Long -Term Borrowings | (1,409,405) | (7,009,107) |
| Interest Paid | (24,191,877) | (25,715,934) |
| Dividend Paid (Inclusive of Dividend Distribution Tax) | (39,055,168) | (68,348,088) |
| | <u>(89,255,944)</u> | <u>(154,250,317)</u> |
| NET CASH USED IN FINANCING ACTIVITY | (89,255,944) | (154,250,317) |
| NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C) | <u>(837,921)</u> | <u>(398,934)</u> |
| OPENING BALANCE OF CASH & CASH EQUIVALENTS | 2,999,320 | 3,398,254 |
| CLOSING BALANCE OF CASH & CASH EQUIVALENTS | <u>2,161,399</u> | <u>2,999,320</u> |
| | <u>(837,921)</u> | <u>(398,934)</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 | 1,985,057 | 2,696,316 |
| CASH ON HAND | 176,342 | 303,004 |
| | <u>2,161,399</u> | <u>2,999,320</u> |

- 2 Interest received excludes interest received for overdue payments from customers of Rs.539,554 /- (Previous Year Rs.136,453/-), 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 AND CO LLP
CHARTERED ACCOUNTANTS
Firm Registration No. :- 101484W / W100197

J.P. BAIRAGRA
PARTNER
MEMBERSHIP NO. 12839

PLACE : MUMBAI
DATED : 17 MAY 2017

FOR AND ON BEHALF OF THE BOARD

G.L. MODI
MANAGING DIRECTOR
DIN: 00027373

SURESH MODY
DIRECTOR
DIN: 00027432

RAMESH KOTHARI
CHIEF FINANCIAL OFFICER

DEEPASHREE DADKAR
COMPANY SECRETARY

PLACE : MUMBAI
DATED : 17 MAY 2017

CONSOLIDATED NOTES ON ACCOUNTS
Amount in Rs.
1 SHARE CAPITAL

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Authorized Share Capital | | |
| 100,000,000 Equity shares, Re. 1/- par value (Previous Year 32,500,000 equity shares Re. 1/- par value) | 100,000,000 | 32,500,000 |
| | 100,000,000 | 32,500,000 |
| 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 |
| Total Issued, Subscribed and Fully Paid Up Share Capital | 32,450,000 | 32,450,000 |

Note No 1.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31st March 2017 :

| Particulars | As at 31 March 2017 | | As at 31st March 2016 | |
|------------------------------------|---------------------|-------------------|-----------------------|-------------------|
| | 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, 2017 | No. of shares held | % held as at March 31, 2016 |
|--------------------------|-----------------------|--------------------------------|-----------------------|--------------------------------|
| Mr. G.L. Modi | - | - | 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% |
| G.L. Modi HUF | 7,582,130 | 23.37% | 423,760 | 1.31% |

2 RESERVES & SURPLUS

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| 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 | 3,627,726 |
| Less : Transfer to General reserve on sale of assets | 3,550 | - |
| Closing Balance | 3,624,176 | 3,627,726 |
| General Reserve | | |
| Opening Balance | 111,472,090 | 111,472,090 |
| Add: Transferred from revaluation reserve on sale of assets | 3,550 | - |
| Closing Balance | 111,475,640 | 111,472,090 |
| Surplus | | |
| Opening Balance | 876,694,897 | 806,924,393 |
| Add: Transferred from Statement of Profit and Loss | 140,825,829 | 108,826,561 |
| Amount available for appropriation | 1,017,520,725 | 915,750,954 |
| Less : Appropriations | | |
| Interim Dividend | 32,450,000 | 32,450,000 |
| Dividend Tax on Proposed Dividend/Interim Dividend | 6,606,057 | 6,606,057 |
| Closing Balance | 978,464,668 | 876,694,897 |
| Total of Reserves & Surplus | 1,112,652,464 | 1,010,882,693 |

CONSOLIDATED NOTES ON ACCOUNTS

Amount in Rs.

3 LONG-TERM BORROWINGS

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|-----------------------------------|-------------------------|-------------------------|
| Secured Loan | | |
| <u>Term Loans</u> | | |
| From Bank | | |
| Vehicle Loans (Refer Note No 3.1) | - | 405,837 |
| | <u>-</u> | <u>405,837</u> |

Note No 3.1: Terms of Repayment, Nature of Securities in respect of Term Loans

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.

4 DEFERRED TAX LIABILITIES (NET)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| <u>Deferred tax liabilities</u> | | |
| On account of difference between depreciation as per books and as per Income- tax Act, 1961 | 86,539,546 | 87,551,181 |
| | <u>86,539,546</u> | <u>87,551,181</u> |
| <u>Less: Deferred tax assets</u> | | |
| On account of expenses allowable on payment basis | 3,972,937 | 3,399,275 |
| On account of allowance for bad & doubtful debts | 1,008,426 | 802,942 |
| | <u>4,981,363</u> | <u>4,202,217</u> |
| Net Deferred Tax Liabilities | <u>81,558,182</u> | <u>83,348,964</u> |

5 LONG-TERM PROVISIONS

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| <u>Provisions for Employee Benefits</u> | | |
| Provision for Gratuity | 8,701,443 | 7,200,289 |
| | <u>8,701,443</u> | <u>7,200,289</u> |

6 SHORT-TERM BORROWINGS

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| Secured Loans | | |
| <u>Other loans & advances</u> (Refer Note No 6.1) | | |
| From Bank- Working Capital Loan | | |
| Foreign Currency Loan | - | 19,927,349 |
| Rupee Loan | 32,005,066 | 169,056,162 |
| Other loans from Bank | | |
| Foreign Currency Loan (Refer Note No. 6.1) | - | 17,621,049 |
| <u>Unsecured Loans</u> | | |
| From Bank- Working Capital Loan | | |
| Rupee Loan (Refer Note No. 6.2) | 150,000,000 | - |
| | <u>182,005,066</u> | <u>206,604,560</u> |

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.

Note No. 6.2:

Unsecured Loan from HDFC Bank is repayable after 90 days and is carrying rate of interest 9.80%.

7 TRADE PAYABLES

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Sundry Creditors For Goods (Refer Note No. 7.1) | 10,106,792 | 19,212,398 |
| Sundry Creditors For Expenses (Refer Note No. 7.1) | 27,550,177 | 25,847,477 |
| | <u>37,656,969</u> | <u>45,059,875</u> |

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.

CONSOLIDATED NOTES ON ACCOUNTS
Amount in Rs.
8 OTHER CURRENT LIABILITIES

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Current Maturities of Long Term Debt (Refer Note No. 3.1) | 365,973 | 1,369,541 |
| Interest Accrued but not due on borrowings | 483,415 | 348,859 |
| Unpaid Dividend | 568,712 | 567,823 |
| <u>Other payables</u> | | |
| Sundry Creditors for Capital Goods | 2,273,673 | 3,812,406 |
| Advances/Deposits From Customers | 48,036,098 | 31,957,238 |
| Statutory Dues Payable | 5,777,683 | 5,427,502 |
| Others | 40,000 | 40,000 |
| | 57,545,553 | 43,523,369 |

9 SHORT - TERM PROVISIONS

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| <u>Provision for Employee Benefits</u> | | |
| Provision for Gratuity | 1,866,558 | 858,099 |
| Provision for Leave Salary | 3,065,844 | 2,739,363 |
| <u>Others</u> | | |
| Provision For Taxation | 3,302,608 | 12,150,000 |
| | 8,235,010 | 15,747,462 |

11 NON CURRENT INVESTMENTS

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| Non Trade Investments (at cost) | | |
| <u>Unquoted</u> | | |
| In Investment Property | | |
| Investment in Residential Flats | 22,709,977 | - |
| Aggregate value of Unquoted Investments | 22,709,977 | - |

12 LONG - TERM LOANS AND ADVANCES

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| (Unsecured, Considered Good, unless specified otherwise) | | |
| Capital Advances | 36,744,151 | 53,524,934 |
| Deposits | 7,982,198 | 7,987,198 |
| <u>Other Loans & Advances</u> | | |
| Advance recoverable in cash or kind or for value to be received | 179,930 | 303,487 |
| MAT Credit Entitlement | 337,791 | 333,561 |
| Advance Tax (Net of Provision for Taxation) | 5,897,456 | 18,152,795 |
| Loans and Advances to Employees | 53,500 | 164,500 |
| | 51,195,025 | 80,466,475 |

CONSOLIDATED NOTES ON ACCOUNTS
10 FIXED ASSETS

Amount in Rs.

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION & AMORTISATION | | | | NET BLOCK | |
|--|----------------------|--------------------------|---------------------------|----------------------|-----------------------------|-------------------|---------------------------|--------------------|--------------------|--------------------|
| | AS ON 01.04.2016 | ADDITION DURING THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2017 | AS ON 01.04.2016 | FOR THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2017 | AS AT 31.03.2017 | AS AT 31.03.2016 |
| TANGIBLES ASSETS : | | | | | | | | | | |
| Leasehold Land | 9,446,414 | - | - | 9,446,414 | - | | | - | 9,446,414 | 9,446,414 |
| Building (Note No. 10.1) | 133,565,929 | 1,793,643 | - | 135,359,572 | 37,707,465 | 5,508,084 | - | 43,215,549 | 92,144,023 | 95,858,464 |
| Building (SF6 , Plot No. 85 B and Plot No. 85 D&E) | 67,441,877 | - | - | 67,441,877 | 23,943,550 | 2,115,864 | - | 26,059,414 | 41,382,463 | 43,498,327 |
| Plant & Machinery | 539,223,242 | 24,023,899 | 228,249 | 563,018,892 | 304,899,495 | 33,746,051 | 184,394 | 338,461,152 | 224,557,740 | 234,323,747 |
| Plant & Machinery (SF6) | 369,270,532 | 9,038,758 | 2,580,299 | 375,728,991 | 159,357,844 | 16,707,745 | 163,867 | 175,901,722 | 199,827,269 | 209,912,688 |
| Furniture & Fixture | 12,047,237 | 695,461 | - | 12,742,698 | 9,547,382 | 691,179 | - | 10,238,561 | 2,504,137 | 2,499,855 |
| Vehicles | 26,169,769 | 819,731 | - | 26,989,500 | 19,045,712 | 2,421,890 | - | 21,467,602 | 5,521,898 | 7,124,057 |
| Office Equipment | 14,248,722 | 1,440,575 | 42,329 | 15,646,968 | 12,006,917 | 1,254,730 | 40,213 | 13,221,434 | 2,425,534 | 2,241,805 |
| TOTAL TANGIBLE ASSETS | 1,171,413,722 | 37,812,067 | 2,850,877 | 1,206,374,912 | 566,508,365 | 62,445,542 | 388,474 | 628,565,433 | 577,809,479 | 604,905,357 |
| PREVIOUS YEAR | 1,074,623,704 | 96,790,018 | - | 1,171,413,722 | 504,215,362 | 62,293,003 | - | 566,508,365 | 604,905,357 | |
| INTANGIBLES ASSETS : | | | | | | | | | | |
| Computer Software | 9,459,279 | 92,402 | - | 9,551,681 | 6,776,577 | 1,530,239 | - | 8,306,816 | 1,244,865 | 2,682,702 |
| Technical Know How | 808,687 | - | - | 808,687 | 808,687 | - | - | 808,687 | - | - |
| TOTAL INTANGIBLE ASSETS | 10,267,966 | 92,402 | - | 10,360,368 | 7,585,264 | 1,530,239 | - | 9,115,503 | 1,244,865 | 2,682,702 |
| PREVIOUS YEAR | 9,831,108 | 436,858 | - | 10,267,966 | 6,142,327 | 1,442,937 | - | 7,585,264 | 2,682,702 | |
| C W I P - TANGIBLE | | | | | | | | | | |
| Current Year | - | - | - | - | - | - | - | - | 7,766,234 | 12,171,957 |
| Previous Year | - | - | - | - | - | - | - | - | 12,171,957 | |
| INTANGIBLE ASSETS UNDER DEVELOPMENT | | | | | | | | | | |
| Current Year | - | - | - | - | - | - | - | - | 770,500 | - |
| Previous Year | - | - | - | - | - | - | - | - | - | - |

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

CONSOLIDATED NOTES ON ACCOUNTS
Amount in Rs.
13 INVENTORIES

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Raw Material (Refer Note No.13.1) | 53,357,944 | 53,574,728 |
| Work-in-progress (Refer Note No.13.2) | 351,945,953 | 322,193,575 |
| Finished Goods | 4,426,231 | 10,291,477 |
| Stores & Spares & Consumable Tools (Refer Note No.13.3) | 770,436 | 1,822,718 |
| Scrap | 5,930,193 | 11,200,056 |
| Packing Material | 416,813 | 498,178 |
| | 416,847,570 | 399,580,732 |

Note No. 13.1 :

Raw Material includes goods in transit Rs.12,610,728/- (Previous Year Rs. 12,362,103).

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.Nil/- (Previous Year Rs.561,571)

14 TRADE RECEIVABLES

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| (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) | 6,465,229 | 13,882,214 |
| Considered Doubtful | 2,913,855 | 2,320,107 |
| | 9,379,084 | 16,202,321 |
| Less : Allowance for Doubtful Debts | 2,913,855 | 2,320,107 |
| Others debts considered good | 386,905,738 | 274,335,674 |
| | 393,370,967 | 288,217,888 |

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, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| Cash & Cash Equivalents | | |
| <u>Balance with Banks</u> | | |
| In Current account | 1,985,057 | 2,696,316 |
| In Fixed Deposit | 1,900,000 | - |
| Cash on Hand | 176,342 | 303,004 |
| <u>Other Bank Balances</u> | | |
| Unpaid Dividend account | 568,712 | 567,823 |
| Margin Money Deposits (Refer Note No.15.1) | 13,306,345 | 17,231,944 |
| | 17,936,455 | 20,799,087 |

Note No. 15.1:

Margin Money deposits amounting to Rs. 8,306,345/- (Previous Year Rs. 17,231,944/-) are lying with Bank towards Bank Guarantees, Buyers Credit and Letters of Credit & Rs.50,00,000/- is lying with Reliance Commodities Limited towards margin for forward commodity contract (Hedging)

CONSOLIDATED NOTES ON ACCOUNTS
Amount in Rs.
16 SHORT TERM LOANS & ADVANCES

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| (Unsecured, Considered Good, unless specified otherwise) | | |
| Deposits | 4,184,069 | 535,837 |
| Others | | |
| Advance recoverable in cash or kind or for value to be received | 7,179,140 | 7,069,870 |
| Advance Tax | 12,464,524 | 5,100,497 |
| Balance with Government Authorities | 5,008,369 | 10,992,349 |
| Advances to suppliers | 682,674 | 6,678,476 |
| Loans and Advances to Employees | 686,153 | 1,009,855 |
| | 30,204,928 | 31,386,884 |

Note No. 16.1:

The company had given short term loan to a company for their working capital requirements and the same has been received back during the year. The rate of interest charged was 15%.

17 OTHER CURRENT ASSETS

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--------------------------|-------------------------|-------------------------|
| Interest Receivable | 1,410,170 | 1,435,357 |
| Duty Drawback Receivable | 488,613 | 4,495,584 |
| Other Receivable | 32,151 | 32,151 |
| | 1,930,934 | 5,963,092 |

18 CONTINGENT LIABILITIES AND COMMITMENTS
a) CONTINGENT LIABILITIES

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Disputed Income Tax Liabilities | 190,923 | 9,680,487 |
| Disputed Sales Tax Liabilities | 3,317,838 | 3,015,144 |
| Disputed Central Excise & Service Tax Liabilities | 4,248,761 | 2,628,078 |
| Bond issued under Export Promotion Capital Goods Scheme | 15,674,582 | 22,819,000 |
| | 23,432,104 | 38,142,709 |

b) COMMITMENTS

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Estimated amounts of Contracts remaining to be executed on Capital account and not provided for (Net of Advances) | 27,441,743 | 28,358,152 |
| | 27,441,743 | 28,358,152 |

CONSOLIDATED NOTES ON ACCOUNTS
19 REVENUE FROM OPERATIONS

| Particulars | Year ended | Amount in Rs. Year ended |
|---------------------------------------|----------------------|-----------------------------|
| | March 31, 2017 | March 31, 2016 |
| Sale of Products (Refer Note No 19.1) | 2,076,308,020 | 1,826,897,451 |
| Sale of Services (Refer Note No 19.2) | 219,237 | 13,750 |
| <u>Other Operating Revenue</u> | | |
| Profit on Hedging Contracts | - | 5,525,346 |
| Duty Draw Back Received | 2,464,297 | 2,971,525 |
| Less : Excise Duty | 171,871,842 | 153,593,015 |
| | 1,907,119,712 | 1,681,815,057 |

Note No 19.1 : Sale of Products

| Particulars | 2016-17 | 2015-16 |
|--|----------------------|----------------------|
| Electrical Contacts/ Electrical Contact Material | 1,967,577,877 | 1,727,717,987 |
| Others | 108,730,144 | 99,179,464 |
| | 2,076,308,020 | 1,826,897,451 |

Note No 19.2 : Sale of Services

| | 2016-17 | 2015-16 |
|----------|----------------|---------------|
| Job Work | 219,237 | 13,750 |
| | 219,237 | 13,750 |

20 OTHER INCOME

| Particulars | Year ended | Year ended |
|--------------------------------------|------------------|-------------------|
| | March 31, 2017 | March 31, 2016 |
| Interest Income (Refer Note No 20.1) | 5,339,098 | 2,620,368 |
| Profit on Sale of Fixed Assets (Net) | 117,188 | - |
| Foreign Exchange Fluctuation (Net) | - | 7,134,392 |
| Miscellaneous Income | 730,003 | 535,442 |
| | 6,186,289 | 10,290,202 |

Note No. 20.1 : Break-up of Interest income

| | 2016-17 | 2015-16 |
|---|------------------|------------------|
| Interest income on deposits with banks | 1,360,636 | 1,791,015 |
| Interest income on deposits with others | 1,550,967 | 692,900 |
| Interest income on Income tax refund | 1,887,941 | - |
| Interest income from customers | 539,554 | 136,453 |
| | 5,339,098 | 2,620,368 |

21 COST OF MATERIAL CONSUMED

| Particulars | Year ended | Year ended |
|---|----------------------|----------------------|
| | March 31, 2017 | March 31, 2016 |
| <u>RAW MATERIAL CONSUMED</u> | | |
| Opening Stock of Raw Material | 41,212,625 | 58,262,063 |
| Add : Purchases of Raw Material | 1,278,889,763 | 1,032,965,430 |
| | 1,320,102,388 | 1,091,227,493 |
| Less : Sale of Raw Material | 2,021,277 | - |
| Less : Closing Stock of Raw Material | 40,747,216 | 41,212,625 |
| Cost of Materials Consumed (Refer Note No. 21.1) | 1,277,333,895 | 1,050,014,868 |

Note No. 21.1 : Cost of Material Consumed

| | 2016-17 | 2015-16 |
|------------------------------------|----------------------|----------------------|
| Silver | 964,693,049 | 729,934,305 |
| Tungsten Metal Powder | 86,658,889 | 101,122,594 |
| Copper Chromium/Zirconium Rod/Tube | 63,868,977 | 66,957,973 |
| ETP Cu Flat/Rod/Tube/Strips | 55,625,032 | 43,789,161 |
| Others | 106,487,948 | 108,210,835 |
| | 1,277,333,895 | 1,050,014,868 |

22 PURCHASE OF STOCK IN TRADE

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|----------------------------------|------------------------------|------------------------------|
| <u>Traded goods</u> | | |
| Copper Chromium Zirconium Billet | 8,432,215 | 9,133,996 |
| Silver Bullion | 18,000 | - |
| | 8,450,215 | 9,133,996 |

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

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|-------------------------------------|------------------------------|------------------------------|
| Finished Goods | | |
| Opening Stock | 10,291,477 | 7,399,011 |
| Closing Stock | <u>4,426,231</u> | <u>10,291,477</u> |
| | 5,865,246 | (2,892,466) |
| Work-in- Progress | | |
| Opening Stock | 322,193,575 | 372,436,846 |
| Closing Stock (Refer Note No. 13.2) | <u>351,945,953</u> | <u>322,193,575</u> |
| | (29,752,378) | 50,243,271 |
| Scrap | | |
| Opening Stock | 11,200,056 | 10,832,266 |
| Closing Stock | <u>5,930,193</u> | <u>11,200,056</u> |
| | 5,269,863 | (367,790) |
| | (18,617,269) | 46,983,015 |

24 EMPLOYEE BENEFITS EXPENSE

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|------------------------------|------------------------------|
| Salaries & Wages | 109,663,981 | 99,544,442 |
| Contribution to Provident & Other Funds | 4,800,717 | 4,407,191 |
| Staff Welfare Expenses | 4,076,081 | 3,581,644 |
| | 118,540,779 | 107,533,277 |

25 FINANCE COSTS

| Particulars | Year ended March 31, 2017 | Amount in Rs. Year ended March 31, 2016 |
|---|------------------------------|---|
| Interest Expense (Refer Note No 25.1) | 24,326,433 | 25,743,149 |
| <u>Other Borrowing Cost</u> | | |
| Bank Finance Cost | 2,468,986 | 3,352,994 |
| Net Gain/Loss on Foreign currency transactions and translation (considered as finance cost) | 144,114 | 4,380,001 |
| | 26,939,533 | 33,476,144 |

Note No. 25.1 : Break-up of Interest Expense

| | 2016-17 | 2015-16 |
|---|-------------------|-------------------|
| Interest expense on bank borrowings | 24,245,000 | 25,486,422 |
| Interest expense on vehicle loan from other | 81,433 | 256,727 |
| | 24,326,433 | 25,743,149 |

26 OTHER EXPENSES

| Particulars | Year ended | Year ended |
|--|--------------------|--------------------|
| | March 31, 2017 | March 31, 2016 |
| Consumption of Stores and Spares | 33,048,448 | 31,505,424 |
| Consumable Tools & Dies | 16,438,229 | 17,964,623 |
| Packing Expenses | 2,720,968 | 3,260,169 |
| Power & fuel | 43,889,955 | 44,053,031 |
| Processing & Labour Charges | 37,709,038 | 36,782,096 |
| <u>Repairs and Maintenance</u> | | |
| -Buildings | 1,890,741 | 934,510 |
| -Machinery | 7,271,914 | 5,163,442 |
| -Others | 2,313,655 | 1,660,072 |
| Rent | 1,253,700 | 1,310,177 |
| Rates and taxes | 772,044 | 751,736 |
| Advertisement & Sales Promotion | 2,330,404 | 1,336,432 |
| Bank Charges | 3,134,397 | 2,390,113 |
| Commission on Sales | 773,804 | 3,907,814 |
| Payment to Statutory Auditor (Refer Note No. 26.1) | 504,537 | 619,356 |
| Cost Audit Fees | 75,000 | 50,250 |
| Electricity Expenses | 294,180 | 329,870 |
| Royalty | 1,861,268 | 1,718,473 |
| Travelling and Conveyance Expenses | 5,899,484 | 5,288,132 |
| Legal & Professional Charges | 4,830,292 | 9,055,544 |
| Telephone & Telex Expenses | 1,234,365 | 1,054,130 |
| Vehicle Expenses | 3,414,873 | 3,094,873 |
| Directors' Fees | 370,000 | 390,000 |
| Insurance | 1,077,018 | 1,068,277 |
| Loss on Hedging Contracts | 4,955,015 | - |
| In house R&D Expenses | 1,449,668 | 1,042,844 |
| CSR Expenditure | 3,867,240 | 2,819,590 |
| Donation | 3,196,000 | 2,510,000 |
| Bad Debts Written off | 176,886 | 479,430 |
| Allowance for Doubtful Debts | 593,748 | 1,501,344 |
| Exchange Fluctuation (Net) | 111,692 | - |
| Miscellaneous Expenses | 29,941,636 | 27,344,045 |
| | 217,400,200 | 209,385,797 |

Note No. 26.1 : Payment to Statutory Auditors
As Auditor

| | | |
|---------------------|---------|---------|
| Audit Fees | 272,500 | 272,500 |
| Tax Audit Fees | 125,000 | 125,000 |
| Limited Review Fees | 67,000 | 57,000 |
| Service Tax * | 69,675 | 65,618 |

In other capacity

| | | |
|----------------------------------|--------|---------|
| Company law Matters | - | 13,000 |
| Certification and Other Services | 37,875 | 138,000 |
| Service Tax * | 5,297 | 20,056 |

577,347
691,174

* Out of above Service Tax credit of Rs.72,810/- (Previous Year Rs. 71,818/-) 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, 2017 | March 31, 2016 |
| Profit attributable to Equity Shareholders (Rs.) | 140,825,829 | 108,826,561 |
| 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.) | 4.34 | 3.35 |

CONSOLIDATED NOTES ON ACCOUNTS

- 28 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%

29 EMPLOYEE BENEFITS

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

A) Defined Contribution Plan

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

| Particulars | 2016-17 | 2015-16 |
|--------------------------------|-----------|-----------|
| Contribution to Provident Fund | 3,263,324 | 3,123,579 |

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 | 2016-17 | | 2015-16 | |
|--------|---|------------------|-------------|------------------|------------|
| | | 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 | 5.00% | 5.00% | 4.00% | 4.00% |
| II | Changes in present value of obligations | | | | |
| (a) | Present value of obligations as at the beginning of year | 1,633,380 | 12,469,991 | 1,346,131 | 10,901,147 |
| (b) | Interest cost | 130,670 | 997,599 | 107,690 | 872,092 |
| (c) | Current Service Cost | 108,670 | 9,748 | 124,988 | 828,571 |
| (d) | Benefits Paid | (32,446) | (761,758) | - | (358,666) |
| (e) | Actuarial (gain)/loss on obligations | 213,738 | 2,005,069 | 54,571 | 226,847 |
| (f) | Present value of obligations as at the end of year | 2,054,012 | 14,720,649 | 1,633,380 | 12,469,991 |
| III | Changes in the fair value of plan assets | | | | |
| (a) | Fair value of plan assets at the beginning of year | 1,374,910 | 11,634,865 | 925,681 | 9,336,054 |
| (b) | Expected return on plan assets | 131,138 | 1,023,269 | 19,742 | 979,647 |
| (c) | Contributions | 248,854 | 980,688 | 429,486 | 1,677,830 |
| (d) | Benefits paid | (32,446) | (761,758) | - | (358,666) |
| (e) | Actuarial gain on Plan assets | - | - | - | - |
| (f) | Fair value of plan assets at the end of year | 1,722,456 | 12,877,064 | 1,374,910 | 11,634,865 |
| IV | Fair value of plan assets | | | | |
| (a) | Fair value of plan assets at the beginning of year | 1,374,910 | 11,634,865 | 925,681 | 9,336,054 |
| (b) | Actual return on plan assets | 131,138 | 1,023,269 | 19,742 | 979,647 |
| (c) | Contributions | 248,854 | 980,688 | 429,486 | 1,677,830 |
| (d) | Benefits Paid | (32,446) | (761,758) | - | (358,666) |
| (e) | Fair value of plan assets at the end of year | 1,722,456 | 12,877,064 | 1,374,910 | 11,634,865 |
| (f) | Funded status | (331,556) | (1,843,585) | (258,470) | (835,126) |
| (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 | (213,738) | (2,005,069) | (54,571) | (226,847) |
| (b) | Actuarial gain for the year - plan assets | - | - | - | - |
| (c) | Total gain for the year | 213,738 | 2,005,069 | 54,571 | 226,847 |
| (d) | Actuarial gain recognized in the year | 213,738 | 2,005,069 | 54,571 | 226,847 |
| 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 | 2,054,012 | 14,720,649 | 1,633,380 | 12,469,991 |
| (b) | Fair value of plan assets as at the end of the year | 1,722,456 | 12,877,064 | 1,374,910 | 11,634,865 |
| (c) | Funded status | (331,556) | (1,843,585) | (258,470) | (835,126) |
| (d) | Net (liability)/asset recognized in balance sheet | 331,556 | (1,843,585) | (258,470) | (835,126) |
| VII | Expenses Recognised in statement of Profit & Loss | | | | |
| (a) | Current Service cost | 108,670 | 9,748 | 124,988 | 828,571 |
| (b) | Interest Cost | 130,670 | 997,599 | 107,690 | 872,092 |
| (c) | Expected return on plan assets | (131,138) | (1,023,269) | (19,742) | (979,647) |
| (d) | Net Actuarial gain recognised in the year | 213,738 | 2,005,069 | 54,571 | 226,847 |
| (e) | Expenses recognised in statement of Profit & Loss Account | 321,940 | 1,989,147 | 267,507 | 947,863 |

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

30 SEGMENT REPORTING

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

Amount in Rs.

| Particulars | 2016-17 | | 2015-16 | |
|-----------------------|---------------|---------------|---------------|---------------|
| | Within India | Outside India | Within India | Outside India |
| Segment Revenue | 1,644,278,646 | 269,027,355 | 1,431,178,062 | 260,927,197 |
| Segment Assets | 1,458,895,442 | 67,892,955 | 1,358,213,517 | 92,182,975 |
| Addition Fixed Assets | 37,904,469 | - | 97,226,876 | - |

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.

32 RELATED PARTY DISCLOSURES

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

- 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 Pvt. Ltd.
- 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
- 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 | 2016-17 | 2015-16 |
|-------|---------------------------------------|--|------------|------------|
| | | | (Rs.) | (Rs.) |
| 1 | Mr. G.L. Modi | Remuneration Paid (including Other benefits) | 14,041,918 | 13,970,448 |
| 2 | Mr. Rajkumar Modi | Remuneration Paid (including Other benefits) | 7,900,483 | 5,421,985 |
| 3 | Mr. Kumar Jay Modi | Rent Paid | 192,000 | 192,000 |
| | | Remuneration Paid (including Other benefits) | 3,161,685 | 3,217,250 |
| 4 | Mr. Rakesh Singh | Remuneration Paid (including Other benefits) | 4,806,013 | 1,591,714 |
| 5 | Mrs. Chandramani Devi Modi | Rent Paid | 300,000 | 300,000 |
| 6 | Modicon Pvt. Ltd. | Purchase of Goods | - | - |
| | | Sale of Goods | 1,241,589 | 3,309,680 |
| 7 | Modison Copper Pvt. Ltd. | Purchase of Goods | 90,712,554 | 90,107,595 |
| | | Sale of Goods | 21,058,648 | 14,571,165 |
| | | Purchase of Fixed assets | - | - |
| | | Sale of Fixed assets | - | - |
| | | Service Rendered | 65,304 | 13,750 |
| | | Service Received | 11,622,288 | 13,785,396 |
| 8 | Dishah Innovative Solutions Pvt. Ltd. | Purchase of Fixed assets | - | - |
| | | Sale of Goods | - | 110,411 |
| | | Service Received | 376,946 | 240,458 |
| 9 | Modison (Partnership Firm) | Royalty (incl. Service Tax) | 2,116,737 | 1,943,557 |
| 10 | Modison Engineering Pvt. Ltd. | Sale of Goods | 28,012 | 22,406 |

(C) Balance at the year end.

| S.No. | Related parties | Nature of Transactions | 31.03.2017 | 31.03.2016 |
|-------|---------------------------------------|--|------------|------------|
| 1. | Mr. G. L. Modi | Remuneration Payable (Including Gratuity & Leave Salary Payable) | 5,019,330 | 4,162,758 |
| 2. | Mr. Rajkumar Modi | Remuneration Payable (Including Gratuity & Leave Salary Payable) | 4,600,136 | 3,346,596 |
| 3. | Mr. Kumar Jay Modi | Remuneration Payable (Including Gratuity & Leave Salary Payable) | 1,332,108 | 1,239,993 |
| 4 | Mr. Rakesh Singh | Remuneration Payable | 249,240 | 211,520 |
| 5 | Dishah Innovative Solutions Pvt. Ltd. | Trade Payable | - | 81,668 |

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 31.03.2017 | | As on 31.03.2016 | | Foreign Currency |
|-------------------|------------------|----------------------------|------------------|----------------------------|------------------|
| | Amount in Rs. | Amount in Foreign Currency | Amount in Rs. | Amount in Foreign Currency | |
| Amount Receivable | 56,750,401 | 827,627 | 66,330,622 | 894,667 | EUR |
| | - | - | 27,953.64 | 297.00 | GBP |
| | 11,142,554 | 172,860 | 25,824,399 | 392,587 | USD |

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

| Particulars | As on 31.03.2017 | | As on 31.03.2016 | | Foreign Currency |
|------------------------------|------------------|----------------------------|------------------|----------------------------|------------------|
| | Amount in Rs. | Amount in Foreign Currency | Amount in Rs. | Amount in Foreign Currency | |
| Amount Payable | 755,248 | 10,819 | 11,485,413 | 152,165 | EUR |
| | - | - | 342,594 | 3,586 | GBP |
| | 9,953,579 | 152,897 | 7,902,324 | 118,939 | USD |
| | 4,284 | 65.60 | - | - | CHF |
| Loan Liability | - | - | 17,323,908 | 260,745 | USD |
| | - | - | 20,224,489 | 267,945 | EURO |
| Interest accrued but not due | - | - | 86,250 | 1,298 | USD |
| | - | - | 38,711 | 513 | EURO |

33 RESEARCH AND DEVELOPMENT EXPENDITURE

| Particulars | 2016-17 | 2015-16 |
|---|-----------|-----------|
| Capital Expenditure included in Fixed Assets | 4,143,209 | 1,440,663 |
| Contribution to Scientific Research Association | 2,115,200 | - |
| Revenue Expenditure included in Employee Benefit | 3,383,554 | 2,984,169 |
| Revenue Expenditure included in Other Expenses & depreciation on R&D Capital assets | 3,239,934 | 2,759,462 |

34 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 12,53,700/- (Previous Year: 13,10,177/-) 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.

35 Disclosure On Specified Bank Notes (SBNs)

Details of Specified Bank Notes held and transacted during the demonetization period (8th November, 2016 to 30th December, 2016) as provided in the table below:

| Particulars | SBN* | Other Denomination notes | Amount in Rs. |
|---|-----------|--------------------------|----------------|
| | | | Total |
| Closing Cash in hand as at November 8, 2016 | 3,613,500 | 138,414 | 3,751,914 |
| Add : Permitted Receipts | - | 778,553 | 778,553 |
| Less : Permitted Payments | - | 625,088 | 625,088 |
| Less : Amount deposited in Bank(s) | 3,613,500 | 125,255 | 3,738,755 |
| Closing Cash in hand as at December 30, 2016 | - | 166,624 | 166,624 |

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

37 **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.

38 Goodwill on Consolidation represents goodwill created on acquisition of subsidiary.

39 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 AND CO LLP

CHARTERED ACCOUNTANTS

Firm Registration No. :- 101484W / W100197

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 : 17 MAY 2017

PLACE : MUMBAI
DATED : 17 MAY 2017

MODISON METALS LIMITED

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

Email Id: shareholder@modison.com. **Website:** www.modison.com

Tel.: +91-22-2202 6437 **Fax:** +91- 22-2204 8009

CIN No: L51900MH1983PLC029783

NOTICE

NOTICE is hereby given that the Thirty Fourth 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, 25th July, 2017 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, 2017, the Director's Report and Auditor's Report thereon and
 - b) the Audited Consolidated financial statements of the Company for the year ended March 31st, 2017.
2. To confirm the Interim Dividend of Re.1 per equity share, already paid during the year for the year ending March 31st, 2017.
3. To appoint a Director in place of Mr.Rajkumar Modi (DIN No: 00027449) who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr.Sureshchandra Mody (DIN No: 00027432) who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s Kanu Doshi and Associates LLP, Chartered Accountants, as Statutory Auditor of the Company to hold office for a period of three years.

"Resolved that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), M/s. Kanu Doshi and Associates LLP (Firm Registration No :104746W/W100096), be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s. M L Bhuwania and Co LLP Chartered Accountants, (Firm Registration No. 101484W/W100197), Statutory Auditors of the Company retiring at the conclusion of this Annual General Meeting, for a period of three years i.e. from the conclusion of this 34th Annual General Meeting till the conclusion of 37th Annual General Meeting of the Company, subject to annual ratification by the shareholders at every Annual General Meeting and at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee."

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 Accountant (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, 2018 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 appoint Mr. B. B. Singh as a consultant and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT consent of the Company be and is hereby accorded under Section 197 and all other applicable provisions, if any, of the Companies Act, 2013, Mr. B. B. Singh, a Director of the Company, be appointed as a consultant of the Company for the period of 3 (three) years with effect from 01.04.2017 to 31.03.2020 authorising the said Mr. B. B. Singh, Director of the Company to draw Professional charges of Rs.50,00,000/- per annum plus service tax, as applicable.”

MUMBAI, 17th May, 2017

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

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 18th July, 2017 to 25th July, 2017 (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 accounts. 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 |
|--|------------------------------|---|
| 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 |
| 17.02.2017 (Interim Dividend) | 2016-2017 | 16.02.2024 |

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,

PhirozeJeejeebhoy 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. Rajkumar Modi | Mr.Sureshchandra Mody |
|------|--|---|---|
| i) | Date of birth | 08.03.1965 | 23.10.1944 |
| ii) | Date of Appointment | 09.06.1998 | 01.01.1997 |
| iii) | Qualification | B.Com., MBA | B.Com, LLB |
| iv) | Expertise in specific functional area | He has a sharp business acumen, stronghold in export market and excellent administrative skills | 50 years' experience in Finance and Taxation. |
| 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 |

The Annual Report 2016-2017 as circulated to the members of the Company is also available on the website of the Company www.modison.com

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and 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. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM/ EGM/ EOGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- 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 remote e-voting period commences on 21st July, 2017 (9:00 am) and ends on 24th July, 2017 (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 18th July, 2017, may cast their vote by e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- 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 "remote 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.
NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf"
 - (ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login
 - (iv) Put your user ID and password. 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:

EVEN (Remote e-voting Event Number)

USER ID

PASSWORD/PIN

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

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com 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.

NOTE: Shareholders who forgot the User Details/Password can use “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No)

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 18th July, 2017

Note: The cut off date shall not be earlier than 7days 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. 18th July, 2017, 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 member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM
- XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIV. M/s. RaginiChokshi& Co., a firm of Practising Company Secretary (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
- XV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility
- XVI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVII. The Results declared 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.

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, 2018, at a remuneration of Rs.50,000/-(Rupees Fifty Thousand only) plus service tax as applicable and reimbursement of conveyance at actuals, subject to ratification by shareholders.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018 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

The Board of Directors at its meeting held on 17th May, 2017 had approved the professional fees charges @ Rs.50,00,000/- per annum plus service tax, if applicable, to Mr. B.B Singh, Director of the Company from 01.04.2017 to 31.03.2020, subject to approval of the Company in the General Meeting by a Special Resolution.

Mr. B. B. Singh is well qualified with a wide experience in the field of Electrical switchgear industries and contact manufacturing for 38 years.

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

The Board recommends this Resolution for your approval.

MUMBAI, 17 May 2017

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

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 34th Annual General Meeting of the Company scheduled on 25th July, 2017 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

3.Name : _____ Address : _____

_____ E-mail Id: _____ Signature: _____,

as my/our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on 25th July 2017 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, 2017, 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, 2017, together with the reports of Auditors thereon. | | | |
| 2. | To approve the Interim dividend already paid for the Financial year 2016-17. | | | |
| 3. | To re-appoint Mr. Rajkumar Modi who retires by rotation, being eligible, who offers himself for re-appointment. | | | |
| 4. | To re-appoint Mr. Sureshchandra Mody who retires by rotation, being eligible, who offers himself for re-appointment | | | |
| 5. | To appoint M/s. Kanu Doshi and Associates LLP, Chartered Accountants as Statutory Auditors of the Company. | | | |
| 6. | To appoint M/s. N.Ritesh & Associates, Cost Accountants as Cost Auditors of the Company. | | | |
| 7. | To appoint Mr .B.B.Singh as a consultant. | | | |

Signed thisth day of 2017

Signature of share holder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Affix
revenue
stamp

****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.