

**MODISON
METALS LIMITED**

33 - Nariman Bhavan, 227 - Nariman Point,
Mumbai - 400021 India
T: +91-22-2202 6437 F: +91-22-2204 8009
E: sales@modison.com W: www.modison.com
Cin No.: L51900MH1983PLC029783



12.08.2020

The Market Operations Department
BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001

Name of the Company : Modison Metals Limited
Security Code : 506261

Dear Sir/Madam,

Sub: Submission of Annual Report for the financial year ended 31st March, 2020

With reference to the captioned subject and pursuant to Regulation 30 and 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose herewith the Annual Report containing the Directors' Report and its annexures, Management Discussion and Analysis Report, Corporate Governance Report and Audited Financial Statements (Standalone & Consolidated) for the financial year ended 31st March, 2020 along with the Notice of the 37th Annual General Meeting of the Company for your reference and record.

The aforesaid documents are also uploaded on the Company's website i.e. www.modison.com.

Kindly take the same on record.

Thanking you.

Yours faithfully

For Modison Metals Limited

Manika Arora
Company Secretary

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- Seventh Annual General Meeting of Modison Metals Limited will be held on Tuesday, September 8, 2020 at 11.30 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- a. the Audited Standalone financial statements of the Company for the year ended March 31, 2020, the Director's Report and Auditor's Report thereon.
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon.
2. To confirm the Interim Dividend of Re.1/- per equity share, already paid during the financial year ended March 31, 2020.
 3. To appoint a Director in place of Mr. Rakesh Singh (DIN: 07319353), who retires by rotation and being eligible, offers himself for re-appointment.
 4. To appoint a Director in place of Mr. Kumar Jay Modi (DIN: 00059396), who retires by rotation and being eligible, offers himself for reappointment.
 5. Re-appointment of the Statutory Auditors of the Company and fixing of their remuneration

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory

modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. Kanu Doshi and Associates LLP (Firm Registration No.104746W/ W100096), be and are hereby re-appointed as Statutory Auditors of the Company for a term of 2 (two) years, to hold office from the conclusion of the 37th Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company to be held in the calendar year 2022 and at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

SPECIAL BUSINESS:

6. Re-Appointment of Mr. Ashok Shantilal Jatia (DIN: 07209136) as an Independent Director of the Company for a period of 5 years.

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

“RESOLVED THAT pursuant to the provisions of Sections 149,150,152 read with Schedule IV and any other applicable provisions of the Companies Act,2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(1)(b),17(1) and 25 of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and based on the recommendations of the Nomination & Remuneration Committee and the Board of Directors of the Company, Mr. Ashok Shantilal Jatia (DIN: 07209136), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the said Act and all of the above-mentioned Regulations and who is eligible for re-appointment be and is hereby re-appointed as an Independent Director of the Company to hold office from November 2, 2020 to November 1, 2025;

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Officer(s) and / or Authorised Representatives of the Company) be and are hereby authorized to do all such acts, deeds, matters and things as they may in their discretion deem necessary and appropriate in order to give effect to the foregoing resolution.”

7. Approval of consultancy / professional fees of an amount not exceeding Rs. 15,00,000/- per annum to Mr. Suresh Mody, Non-Executive Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 read with any other applicable provision of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 (6) of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and based on the approval of the

Board of Directors of the Company, the consent of the Company be and is hereby accorded for payment of consultancy / professional fees of an amount not exceeding Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) per annum for the financial year ending March 31, 2021 to Mr. Suresh Mody (DIN 00027432), Non-Executive Director of the Company on such terms and conditions as may be mutually agreed between the Company and the Board of Directors of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Officer(s) and / or Authorised Representatives of the Company) be and are hereby authorized to do all such acts, deeds, matters and things as they may in their discretion deem necessary and appropriate in order to give effect to the foregoing resolution.”

8. Approval of Related Party Transactions

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended till date & such other Rules as may be applicable to the Company and in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment(s), modification(s) or re-enactment thereof) and based on the approval of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for entering into transaction(s) (including on-going transactions with the following related parties up to the maximum amount mentioned herein, in each financial year, for a period of 5 years (from FY 2020-21 to 2024-25) to on such terms and conditions as may be mutually agreed between the Company and the said Related Parties:

Sr. No.	Name of Related Party	Nature of Transaction(s)	Relationship	Existing Limit pursuant to the Member's Approval dated 11 th August, 2015	Revised/New limits { Maximum Value of the transaction(s) per annum}
1.	Modison Copper Private Limited	a. Sale, Purchase, Supply of any goods, materials and Avail and give any services directly or	Mr. G.L. Modi, Mr. Raj Kumar Modi and Mr. Kumar Jay Modi Common Director	On Actual basis whether material or not.	Rs.50 Crore

		through appointme nt of agents			
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*Note: Exempted: Transactions in ordinary course of business and on arm length basis

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

9. Approval of payment of professional fees of an amount not exceeding Rs. 1,00,000/- to Mr. Ashok Shantilal Jatia, Independent Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with any other applicable provision of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 (6) of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and based on the approval of the Board of Directors of the Company, the consent of the Company be and is hereby accorded for payment of consultancy / professional fees of an amount not exceeding Rs. 1,00,000/- (Rupees One lakh Only) during the period of appointment of Mr. Ashok Shantilal Jatia (DIN:07209136) as an Independent Director of the Company, over and above the sitting fees to which he is entitled as a Director;

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Officer(s) and / or Authorised Representatives of the Company) be and are hereby authorized to do all such acts, deeds, matters and things as they may in their discretion deem necessary and appropriate in order to give effect to the foregoing resolution.”

10. Approval of payment of professional fees to Ms. Rita Bhatia, Independent Director of the Company for an amount not exceeding Rs. 2,00,000/-

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

“**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with any other applicable provision of the Companies Act, 2013 and the Companies

(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 (6) of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and based on the approval of the Board of Directors of the Company, the consent of the Company be and is hereby accorded for payment of consultancy / professional fees of an amount not exceeding Rs. 2,00,000/- per annum (Rupees Two lakhs Only) during the period of appointment of Ms. Rita Bhatia (DIN:06973893), Independent Director of the Company, over and above the sitting fees to which she is entitled as a Director;

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Officer(s) and / or Authorised Representatives of the Company) be and are hereby authorized to do all such acts, deeds, matters and things as they may in their discretion deem necessary and appropriate in order to give effect to the foregoing resolution.”

11. Ratification of the remuneration payable to M/s N. Ritesh & Associates, Cost Accountant ((N. Ritesh, Proprietor) (Certificate of Practice No. R100675) for the financial year ending March 31, 2021

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

“**RESOLVED THAT** in accordance with the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, the remuneration payable to M/s. N. Ritesh & Associates, Cost Accountant (N. Ritesh, Proprietor) (Certificate of Practice No.R100675), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost accounting records of the Company for the financial year ending 31st March, 2021, amounting to Rs. 50,000 (Rupees Fifty Thousand Only) plus applicable taxes, in connection with the said audit, be and is hereby ratified and confirmed;

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

12. Appointment of Mr. Manish Kumar Srivastava, as Director of the Company

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of

Association of the Company (including any statutory modification(s) or re-enactment(s) thereof for, the time being in force), Mr. Manish Kumar Srivastava (DIN 08796273), who was appointed as an Additional Director of the Company with effect from 20.07.2020, by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Act, being eligible and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

13.Appointment of Mr. Manish Kumar Srivastava as Joint Managing Director of the Company:-

To consider and, if thought fit, to pass, the following resolution as an Special Resolution:

RESOLVED THAT pursuant to provisions of Section 2(78), 178, 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 read with the provision of Schedule V of the Companies Act 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company and other applicable provisions of the Act and Rules made there under, approval of the Company be and is hereby accorded to the appointment of Mr. Manish Kumar Srivastava as the Joint Managing Director of the Company, for a period of 3 (three) years to be effective from 20th July, 2020 till 19th July,2023, liable to retire by rotation, on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said appointment as specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to file various forms with the Registrar of Companies and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

MUMBAI, 20th July, 2020

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

Registered Office:

33 Nariman Bhavan
227 Nariman Point
Mumbai- 400 021.

Manika Arora
Company Secretary

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a pre-requisite and pursuant to the Circular Nos. 14/2020, 17/2020 and 20/2020 dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 respectively, issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India, physical attendance of the Members at the Annual General Meeting (AGM) is not required and the AGM can be held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) wherein the facility to appoint proxy to attend and cast vote for the members will not be available at the AGM. Accordingly, considering the safety of the members of the Company, the AGM of your Company is being scheduled through VC/ OAVM means in compliance with the applicable provisions of the Companies Act, 2013 along with rules framed thereunder and the aforementioned circulars. Hence, Members have to attend and participate in the ensuing AGM through VC/ OAVM means and the facility of appointment of proxy is not available.
2. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (the Act), in respect of the Special Business to be transacted at the Meeting is annexed hereto and forms part of this Notice. The relevant details of Directors seeking appointment/reappointment pursuant to the Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) is given in Annexure to this Notice.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/ Corporate 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution shall be send to the

Scrutinizer by e-mail at mail@csraginichokshi.com with a copy marked to evoting@nsdl.co.in.

5. Members are requested to note that the company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
6. 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.
7. Book Closure:
The Register of Members and transfer books of the Company will be closed from 2nd September, 2020 to 8th September, 2020 (Both days inclusive).
8. Members are requested to submit their queries/requests for clarification, if any, on the Annual Report via email at shareholder@modison.com so as to reach the Company on or before 2nd September, 2020, which will enable the Company to furnish replies at the AGM.
9. Members holding shares under multiple folios are requested to submit their applications to registrar and transfer Agent for consolidation of folios into a single folio.
10. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the Directors are interested as maintained under Section 170 and Section 189 of the Act, respectively will be available for inspection by the Members at the AGM.
11. In compliance with the provisions of Section 129(3) of the Companies Act, 2013, (the Act), the Audited Financial Statements of the Company includes the Consolidated Financial Statements of the Company as defined in the Act for consideration and adoption by the Members of the Company.
12. 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.

13. An electronic copy of the Annual Report 2019-2020 along with the Notice are being sent to all those Members whose e-mail addresses are registered with the Company/Depository Participant(s) and physical copy of the same will not be made available to the Members of the Company in line with the aforementioned circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India. Members may also note that the Notice of the 37th Annual General Meeting and the Annual Report are available on the Company's website www.modison.com. The aforesaid documents can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of NSDL (agency for providing the e-voting facility) i.e. www.evoting.nsdl.com.
14. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's STA /their Depository Participants, in respect of shares held in physical/electronic mode respectively.
15. Corporate Members entitled to appoint their Authorized Representatives to participate at the AGM through VC/ OAVM and vote through e-voting on their behalf, pursuant to section 113 of the Companies Act, 2013.
16. The Members can join the AGM through VC/OAVM means 15 minutes before and after the scheduled time of the commencement of the AGM. The facility of participation at the AGM through VC/ OAVM means will be made available for 1000 members on first come first served basis. This will not include large Members (Members holding 2% or more shares of the Company), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of various Committees of the Company, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
17. The attendance of the Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. Further, since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
18. Unclaimed Dividends:

(a) Transfer to the Investor Education and Protection Fund:

Members are hereby informed that the Company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years from the date on which dividend has become due for payment to the Investor Education and Protection Fund (IEPF) established by the Government. Accordingly, during the year, unclaimed dividends amounting Rs.33, 619 /- pertaining to the financial year 2011-2012 has been transferred to IEPF. Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed/ unpaid for a period of seven years from the dates they became first due for payment. Any Member, who has not claimed the dividend in respect of the financial year ended 31 March, 2013 and onwards is requested to approach the Company/the Share Transfer Agent (STA) of the Company for claiming the same as

early as possible but not later than 25.08.2020.

b) Details of Unclaimed Dividends on Website:

In order to help Members to ascertain the status of Unclaimed Dividends, the Company has uploaded the information in respect of Unclaimed Dividends for the financial year ended 31 March, 2013 and subsequent years on the website of Investor Education and Protection Fund, www.iepf.gov.in and under “Investor Relations” section on the website of the Company - www.modison.com.

c) Transfer of “Underlying Share” into IEPF:

In terms of Section 124(6) of the Act read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government.

As required under the said Rules, the Company has published a Notice in the newspapers inviting the Members attention to the aforesaid Rules. The Company has also sent individual communication to the concerned Members whose shares are liable to be transferred to IEPF Account, pursuant to the said Rules.

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
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
02.02.2018(Interim Dividend)	2017-2018	01.02.2025
07.08.2018 (Final Dividend)	2017-2018	06.08.2025
27.02.2019(Interim Dividend)	2018-2019	04.04.2026
06.08.2019 (Final Dividend)	2018-2019	11.09.2026

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.

19. Nomination Facility:

As per the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he may submit the

same in Form No. SH-14. The said form can be downloaded from the website of the company www.modison.com. Members holding shares in physical form are requested to submit the forms to the Company's STA. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

20. The Company's Equity Shares are listed on BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001. The Company has paid the annual listing fees to the Stock Exchange.

21. 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 Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facilities as well as venue voting on the date of AGM.
- II The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- III The remote e-voting period commences on 4th September, 2020 (9.00AM) to 7th September, 2020 (5.00PM). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 1st September, 2020, 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. A member who has cast his/her vote by using remote e-voting shall be entitled to attend and participate in the AGM of the Company through VC/ OAVM, but shall not be allowed to vote on the resolutions at the AGM. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- IV M/s. Ragini Chokshi & Co., a firm of Practicing 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.
- V 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.

- VI 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. 1st September, 2020 may obtain the login ID and password by sending a request at evoting@nsdl.co.in /RTA.

The process and manner for remote e-voting are as under

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 113297 then user ID is

	113297001***
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5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

<u>How to cast your vote electronically on NSDL e-Voting system?</u>

- | |
|---|
| <ol style="list-style-type: none"> 1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles. |
|---|

2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail at mail@csraginichokshi.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, Mr. Pratik Bhatt, Mr. Amit Vishal NSDL Manager(s), 4th Floor, ‘A’ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. at evoting@nsdl.co.in ; Tel No. 022-24994545/1800-222-990/ 022-24994738/ 022-24994360

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

Physical Holding	Send a request to the Registrar and Transfer Agents of the Company at support@freedomregistry.in or shareholder@modison.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering e-mail address.
Demat Holding	Please contact your DP and register your email address, as per the process advised by your DP. Further, also provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to support@freedomregistry.in or shareholder@modison.com

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number to the Company Secretary at the registered office address or email at shareholder@modison.com so as to reach the Company on or before 2nd September, 2020, which will enable the Company to furnish replies at the AGM.

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of 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.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.modison.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to the stock exchange, where the shares of the Company are listed.

MUMBAI, 20th July, 2020

Registered Office:

33 Nariman Bhavan
227 Nariman Point
Mumbai- 400 021.

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

Manika Arora
Company Secretary

EXPLANATORY STATEMENT U/S 102(1) OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE**Item No. 5**

M/s. Kanu Doshi and Associates LLP (Firm Registration No.104746W/ W100096) were appointed as Statutory Auditor of the company by the Members at 34th Annual General Meeting (AGM) held on 25th July, 2017 to hold office as Statutory Auditor from the conclusion of AGM held in the year 2017 till the conclusion of 37th Annual General Meeting (AGM) of the Company to be held in the year 2020. Accordingly, their present appointment gets completed on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the re-appointment of M/s. Kanu Doshi and Associates LLP (Firm Registration No.104746W/ W100096), as the Auditors of the Company for further period of two years from the conclusion of this AGM till the conclusion of the 39th Annual General Meeting.

M/s. Kanu Doshi and Associates LLP have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act. Further M/s Kanu Doshi and Associates LLP have given their consent to act as Auditor of the Company for the period of two years.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board of Directors recommends the resolution at item no. 5 of the Notice for your approval.

Item No. 6:-

The Members of the Company at the 33rd Annual General Meeting held on 9th August, 2016 approved the appointment of Mr. Ashok Shantilal Jatia as an Independent Director of the Company for the period of 5 consecutive years with effect from 2nd November, 2015. Mr. Ashok Shantilal Jatia will be completing his first term on 1st November, 2020.

The Board of Directors at its meeting held on 20th July, 2020 on the recommendation of Nomination and Remuneration Committee and based on his skills, experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of Independent Directors, has recommended for approval of Members, the re-appointment of Mr. Ashok Shantilal Jatia as an Independent Director of the Company for the second term of five years w.e.f. 2nd November, 2020 up to 1st November, 2025, shall not be liable to retire by rotation.

As per Section 149(10) of the Act, an Independent Director of the Company shall hold office for a term of up to 5 consecutive years on the board of the Company.

Mr. Ashok Shantilal Jatia is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has received notice in writing from the Member under section 160(1) of the Act proposing the candidature of Mr. Ashok Shantilal Jatia for the office of Independent Director of the Company.

The Company has also received declarations from Mr. Ashok Shantilal Jatia that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In opinion of the Board Mr. Ashok Shantilal Jatia fulfill the conditions for re-appointment as Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Ashok Shantilal Jatia is independent of the management.

A copy of the draft letter of appointment of Mr. Ashok Shantilal Jatia setting out the terms and conditions of re-appointment is available for inspection at the Registered Office of the Company during normal business hours (11.00 AM to 1.00 PM) on all working days, up to and including the date of AGM.

The Board understand that Mr. Ashok Shantilal Jatia continued association with the Company would be of immense benefit to the Company as it has been beneficial to the past and it is desirable to continue to avail his services. Accordingly, consent of the Members is sought for passing special resolution as set out in this item of the notice for re-appointment of Mr. Ashok Shantilal Jatia as an Independent Director of the company.

The Explanatory Statement together with the accompanying notice may also be regarded as disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

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

The Board recommend this resolution for your approval.

Item No. 7:-

The Board of Directors at its meeting held on 20th July, 2020 had approved the professional fees charges @ Rs.15, 00,000/- per annum plus gst, if applicable, to Mr. Suresh Mody, Director and consultant of the Company from 2020-2021, subject to approval of the Company in the General Meeting by a Special Resolution.

Mr. Suresh Mody is well qualified with a wide experience in the field of Legal, finance and taxation for 53years.

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

The Board recommends this Resolution for your approval.

Item No. 8:-

Pursuant to the provisions of Section 188 of the Companies Act, 2013("the Act"), read with Companies (Meetings of Board and its Powers) Rules, 2014 (' Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case transactions with related parties exceeds such sum as is specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm length basis.

However, pursuant to Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, approval of the members by way of Ordinary resolution is required for material related party transactions (i.e. transaction exceeding 10% of the annual consolidated turnover of the company as per its last audited financial statements). Further, a transaction involving payments made to related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered individually or taken together with previous transactions during a financial year, exceed 5% of the annual consolidated turnover of the listed entity as per the last audited financial statement of the listed entity.

Accordingly, the Promoter Group Shareholders shall abstain from voting on this resolution for approval of material related party transactions.

The disclosures required to be made under the provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 as amended are given herein below:

1. Nature of relationship: Common Director (Mr. G.L. Modi, Mr. Raj Kumar Modi and Mr. Kumar Jay Modi)

2.Nature, material terms, monetary value and particulars of the contract or arrangement: See resolution no. 8 of this Notice.

3. Any other information relevant or important for the Members to take a decision on the proposed resolution: These transactions are based on business requirements and are necessary for the smooth and efficient functioning of your Company.

Keeping in view the intent of the law, all transactions (irrespective of the nature of the transactions) with the Related Parties have been aggregated while applying threshold limits for seeking your approval.

The above contracts/arrangements/transactions as mentioned in the resolution are approved by the Audit Committee and the Board of Directors as the same are in the interest of the Company. Approval of the Members is also sought for all the actions, decisions and approvals accorded by the Board of Directors (including the Audit Committee) in connection with the aforementioned related party transactions.

The Board of Directors recommend the Ordinary Resolution set out at Item No. 8 of the accompanying Notice for the approval of the unrelated Members of the Company in terms of Regulation 23 of the SEBI Listing Regulations.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. G.L. Modi (father of Mr. Kumar Jay Modi), Mr. Kumar Jay Modi (son of Mr. G.L. Modi) and Mr. Rajkumar Modi are, in anyway, concerned or interested, financially or otherwise, in the resolution set out as Item No 8 of the notice.

Item No. 9:

Mr. Ashok Shantilal Jatia (DIN:07209136) is associated with the Company in the capacity of Independent Non-Executive Director. He is qualified Chartered Accountant, Cost Accountant, Company Secretary and Law Graduate and he has vast experience in Accountancy, Cost Accountancy, Secretarial and Legal Matter.

Further pursuant to Regulation 17(6) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for payment of professional fees to Mr. Ashok Shantilal Jatia the approval of the member is sought.

None of the Directors, Manager, Key Managerial Personnel of the Company and/or any relatives of such Director, Manager, Key Managerial Personnel, except Mr. Ashok Shantilal Jatia and his relatives, are in anyway concerned or interested in the resolution set out as Item No. 9 of the Notice.

The Board recommends the Special Resolution set out at Item No.9 of the notice for approval by the Members.

Item No. 10:

Ms. Rita Bhatia (DIN:06973893), is associated with the Company in the capacity of Independent Non-Executive Director. She is Law Graduate and she has vast experience in handling Legal Matter.

She is presently engaged in independent professional practice for rendering legal consultancy.

Further pursuant to Regulation 17(6) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for payment of professional fees to Ms. Rita Bhatia the approval of the member is sought.

None of the Directors, Manager, Key Managerial Personnel of the Company and/or any relatives of such Director, Manager, Key Managerial Personnel, except Ms. Rita Bhatia and his relatives, are in anyway concerned or interested in the resolution set out as Item No. 10 of the Notice.

The Board recommends the Special Resolution set out at Item No.10 of the notice for approval by the Members.

Item No. 11:

The Board of Directors has, on the recommendation of the Audit Committee, approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company across various segments, for the financial year ending March 31, 2021, as per the following details:

Name of the Cost Auditor	Cost Audit Fee
N. Ritesh & Associates	Rs. 50,000/-

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021 by passing an Ordinary Resolution as set out at Item No. 11 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 11 of the Notice for ratification by the members.

Item No.12:

The Board of Directors of the Company (the "Board") at its Meeting held on 20th July, 2020 appointed Mr. Manish Kumar Srivastava as an Additional Director of the Company.

In terms of Section 161(1) of the Act, Mr. Manish Kumar Srivastava holds office only up to the date of the forthcoming AGM of the Company but is eligible for appointment as a Director, whose office shall be liable to retire by rotation.

Mr. Manish Kumar Srivastava, 47 years, hold a Bachelor's degree in B. Tech (Electricals) from IET (Lucknow University). He has deep exposure of working in ABB, CTR & CGL in India and Switzerland for working with local as well as global

customers. Experience of handling entire value chain from Design to SCM to Operation to Sales & Marketing to Full P&L management. Has experience of Brown as well as Green field projects including responsibility of business sustainability & turn around.

Mr. Manish Kumar Srivastava is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has received notice in writing from a Member under Section 160 of the Act proposing the candidature of Mr. Manish Kumar Srivastava for the office of Director of the Company.

The Board is of the view that the appointment of Mr. Manish Kumar Srivastava on the Company's Board as Director is desirable and would be beneficial to the Company.

Accordingly, consent of the Members is sought for passing resolution as set out in this item of the Notice for appointment of Mr. Manish Kumar Srivastava as a Director of the Company.

Except Mr. Manish Kumar Srivastava, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item number 12 except to the extent of their shareholding, if any, in the Company.

The Explanatory Statement together with the accompanying Notice may also be regarded as disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

The Board recommends the Resolution at item No. 12 of the Notice for your approval.

Item No. 13:

The Board of Directors of the Company (the 'Board') at its Meeting held on 20th July, 2020 appointed Mr. Manish Kumar Srivastava as Joint Managing Director pursuant to the provisions of Section 196 of the Companies Act, 2013 (the 'Act').

Mr. Manish Kumar Srivastava is not disqualified from being appointed as Director in terms of Section 164 of the Act. Further, the Board appointed, subject to the approval of Members, Mr. Manish Kumar Srivastava as Joint Managing Director of the Company, for a period of three years with effect from 20th July, 2020 till 19th July, 2023.

It is proposed to seek Members' approval for the appointment of and remuneration payable to Mr. Manish Kumar Srivastava as Joint Managing Director, in terms of the applicable provisions of the Act. The period of office of Mr. Manish Kumar Srivastava shall be liable to determination by retirement of directors by rotation. If Mr. Manish Kumar Srivastava is re-appointed as a director, immediately on retirement by rotation, he shall continue to hold office of the Joint Managing Director of the company and such re-appointment as director shall not be deemed to constitute break in his appointment as the Joint Managing Director.

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

1. Salary & Allowance: Rs.7,78,700/- per month.

2. Bonus/Ex-Gratia: As per the Rules of the Company.

3. Perquisites:

i) In addition to the salary payable, the Joint Managing Director shall also be entitled to perquisites and allowances like:

Category 'A':

(i) Medical Reimbursement: Rs.15,000/- per annum towards medical expenses incurred for appointee and the family.

(ii) Leave Travel Concession : Rs.2,55,000/- per annum for the appointee and his family once in a year incurred in accordance with any rule specified by the Company.

(iii) Re-imbursment of Driver Salary: Rs.16,750/- per month for provision of car used for Company's business.

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

(v) Medclaim Insurance Policy for the appointee and his family members annual policy amount shall not exceed Rs.5,00,000/-

Category 'B':

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

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

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

The above salary and perquisites may be increased from time to time as decided by the Board, but shall not exceed Rs.120 Lac per annum. The Joint Managing Director agrees to give an undertaking to the Company that he shall not so long as he functions as Joint Managing Director of the Company be interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future.

Subject to the provisions of the Companies Act, 2013, and any other laws for the time being in force, the Joint Managing shall not be liable to the acts, receipts, neglects or

defaults of any Director, Officer or employee of the Company or for any other loss, damage or misfortune whatever which shall happen in execution of the duties of his office or in relation thereto, unless the same happens through his own willful default or otherwise.

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

In case of no profits or inadequate profits, he shall be paid the above remuneration as minimum remuneration.

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

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

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

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

The Board recommends this Resolution for your approval.

MUMBAI, 20th July, 2020

Registered Office:

33 Nariman Bhavan

227 Nariman Point

Mumbai- 400 021.

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

Manika Arora
Company Secretary

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN TERMS OF THE REGULATION 36(3) SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 (SS-2):

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. Rakesh Singh	Mr. Kumar Jay Modi
i)	Date of birth	01.03.1968	05.12.1978
ii)	Date of Appointment	02.11.2015	01.04.2012
iii)	Qualification	BE (Mechanical) with Graduate Diploma in Materials Management	B.Com
iv)	Expertise in specific functional Area	29 years in various areas of operations	International Sales & Marketing
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	Son of Mr. G.L. Modi
viii)	Number of Shares held in the company	12000	1774000
ix)	Terms and Condition of Re-appointment	Appointment on account of retire by rotation, No change in terms	Appointment on account of retire by rotation, No change in terms
x)	Remuneration	No Remuneration, only sitting fee for attending Board meetings	For detail regarding remuneration drawn please refer corporate governance report.

Name of the Director	Mr. Manish Kumar Srivastava	Mr. Ashok Jatia
Date of Birth	12-07-1973	29-10-1958
Date of Appointment	20-05-2020	10-08-2015
Qualification	B.Tech (Electricals), IET (Lucknow University), 1996- Gold Medallist	Chartered Accountant, Cost Accountant, Company Secretary and Law Graduate
Expertise in specific functional area	24 years of working experience in ABB, CTR & CGL in India and Switzerland for working with local as well as global customers	34 years in the field of Chartered Accountancy, Cost Accountancy, Secretarial and Legal Matter
List of other public limited companies (in India) in which outside directorship held	None	None
Member of the committee/s of Board of Directors of other companies in which he is a Director	None	None
Relationship with other Director	None	None
Number of Shares held in the company	12549	Nil
Terms and Condition of Appointment/Re-appointment	For detail of the terms and conditions of appointment please refer to the above Explanatory Statement in respect to Special Business set out at Item No. 13 of the Notice of the AGM pursuant to the Companies Act, 2013.	For detail of the terms and conditions of re-appointment please refer to the above Explanatory Statement in respect to Special Business set out at Item No.6 of the Notice of the AGM pursuant to the Companies Act, 2013.

Remuneration	For detail regarding Remuneration, please refer to the above Explanatory Statement in respect to Special Business set out at Item No. 13 of the Notice of the AGM pursuant to the Companies Act, 2013.	No Remuneration. only sitting fee for attending Board meetings.
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For other details such as number of meetings of the board attended during the year and remuneration drawn, please refer to the corporate governance report which is a part of this Annual Report.

MUMBAI, 20th July, 2020

Registered Office:

33 Nariman Bhavan
227 Nariman Point
Mumbai- 400 021.

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

Manika Arora
Company Secretary

STATEMENT GIVING INFORMATION TO SHAREHOLDERS AS REQUIRED BY SCHEDULE V OF THE COMPANIES ACT, 2013 IN TERMS OF ITEM NO. 13 REGARDING APPOINTMENT OF MR.MANISH KUMAR SRIVASTAVA AS JOINT MANAGING DIRECTOR.

I. General information:																		
1) Nature of Industry:	Manufacturing (Electrical Contact Industry)																	
2) Date or expected date of commencement of commercial production:	21st October, 1985																	
3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable																	
4) Financial performance based on given indicators:	<table><tr><td></td><td colspan="2">Lacs</td></tr><tr><td></td><td>FY 19-20</td><td>FY 18-19</td></tr><tr><td>Revenue & Other Income</td><td>22217.38</td><td>22098.81</td></tr><tr><td>Net Profit before tax</td><td>1885.49</td><td>2445.39</td></tr><tr><td>Export(FOB)</td><td>4544.82</td><td>4435.25</td></tr></table>				Lacs			FY 19-20	FY 18-19	Revenue & Other Income	22217.38	22098.81	Net Profit before tax	1885.49	2445.39	Export(FOB)	4544.82	4435.25
	Lacs																	
	FY 19-20	FY 18-19																
Revenue & Other Income	22217.38	22098.81																
Net Profit before tax	1885.49	2445.39																
Export(FOB)	4544.82	4435.25																
5) Foreign investments or collaborations, if any	No Foreign investments or collaborations. Not Applicable																	
II. Information about the appointee:																		
1) Background details	<p>Mr. Manish Kumar Srivastava holds a B.Tech (Electricals) degree from IET (Lucknow University). He has vast experience of about 24 years and wholesome exposure on all aspects of business of the Company,</p> <p>He has deep exposure of working in ABB, CTR & CGL in India and Switzerland for working with local as well as global customers. Experience of handling entire value chain from Design to SCM to Operation to Sales & Marketing to Full P&L management. Has experience of Brown as well as Green field projects including responsibility of business sustainability & turn around.</p>																	
2) Past remuneration:	<p>Following remuneration is being paid to him as Chief Executive officer (CEO) of the Company till 19th July, 2020:</p> <p>Salary & Allowance : Rs 6,83,200/- per month</p>																	

	Bonus/Ex-Gratia and Perquisite: As per rules of the Company.
3) Recognition or Awards:	Country Gold award for safety and Best Business Performance awarded in ABB MD and ABB. He won Global award for Gold and Silver Medal for Operational improvements. He is also Member of Society of Power Engineers (MN#486).
4) Job profile and his suitability:	The Joint Managing Director shall exercise and perform such power and duties as the Board of Directors of the Company shall from time to time determine, and subject to any directions and restrictions from time to time given and imposed by the Board, Joint Managing Director shall have the general control, management and superintendence of the business of the Company in the ordinary course of the business and to do and perform all other acts and things, which in the ordinary course of business he may consider necessary or proper or in the interest of the Company.
5) Remuneration proposed:	Salary & Allowance of Rs.7,78,700/- per month. Bonus/Ex-Gratia and Perquisites: -As per Rules of the Company. The Salary & Perquisites may be increased from time to time as decided by the Board, but shall not exceed Rs 120 Lac per annum.
6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Rs. 120 Lac per annum.
7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	N.A.
III. Other information:	
1) Reason of loss or inadequate profit:	The Company is a leading manufacturer of electrical contacts/hvc/ SF6 Contacts used in transmission, distribution and utilization of power. Since its business area predominantly relates to infrastructure facilities in the power and

	other industrial sector, the pace of progress in these sectors to a large extent affects the results of the Company. As there was no significant addition in real terms in power manufacturing capacity and addition in Transmission and Distribution facilities for power, it has an immediate negative effect on demand growth
2) Steps taken or proposed to be taken for improvement:	A focused restructuring program with thrust on improving efficiency of operations, cost control, restructuring of debt, aggressive Working Capital management and also a re-direction to the Company's marketing efforts
3) Expected increase in production and profits in measurable terms:	The Company hopes to achieve a Revenue(Sales) of 235 Crore and Net Profit before Tax of Rs 26 Crore/- in Financial Year 2020-21. The effect of expansion and restructuring will improve further the results of the Company in coming years
IV. Disclosures:	
1. The shareholders of the Company shall be informed of the remuneration package of the managerial personnel.	
2. The following disclosures shall be mentioned in the Board of Directors Report under the heading "Corporate Governance", if any, attached to the annual report:	
i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;	
ii) Details of fixed components and performance linked incentives along with the performance critics;	
iii) Service contracts, notice period, severance fees;	
iv) Stock Option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	

MUMBAI, 20th July, 2020**Registered Office:**

33 Nariman Bhavan
227 Nariman Point
Mumbai- 400 021.

By Order of the Board
For MODISON METALS LTD.,

Manika Arora
Company Secretary



ANNUAL REPORT: 2019-2020

ANNUAL REPORT: 2019-20

BOARD OF DIRECTORS:**ASHOK JATIA**

Chairman

G.L. MODI

Managing Director

RAJKUMAR MODI

Jt. Managing Director

MANISH KUMAR SRIVASTAVAJt. Managing Director w.e.f. 20th July 2020**KUMAR JAY MODI**

Whole-time Director

RAKESH S. SINGH**SURESH MODY****R.A. GOENKA****RITA BHATIA****MANISH KUMAR SRIVASTAVA**Chief Executive Officer- upto 19th July 2020**MANIKA ARORA**Company Secretary w.e.f. 16th December 2019**AUDITORS:**

KANU DOSHI ASSOCIATES LLP

CHARTERED ACCOUNTANTS

203, THE SUMMIT, LEVEL-2, WING-F

SAMARTH NAGAR, HANUMAN ROAD

W.E.HIGHWAY, VILE PARLE (E)

MUMBAI - 400 057

BANKERS:

HDFC BANK LIMITED

REGISTERED & HEAD OFFICE

33 NARIMAN BHAVAN

227 NARIMAN POINT

MUMBAI – 400021

Tel: 022 2202 6437

Email Id: shareholder@modison.comWeb: www.modison.com**WORKS ADDRESS**

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

PHASE-I, GIDC, VAPI-396 195

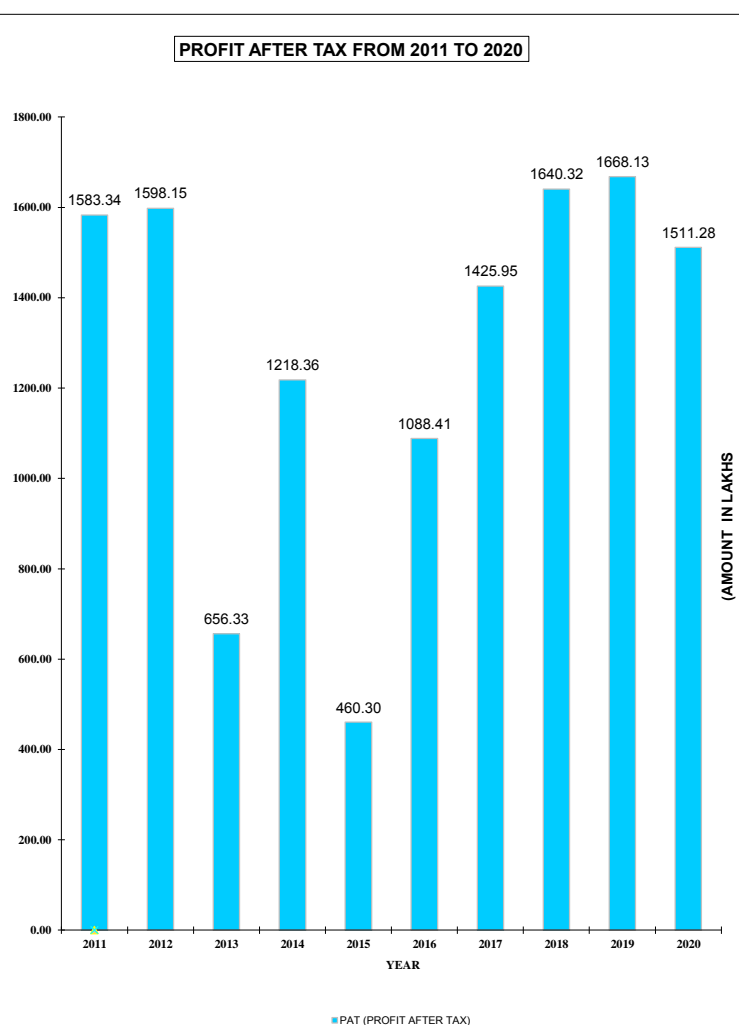
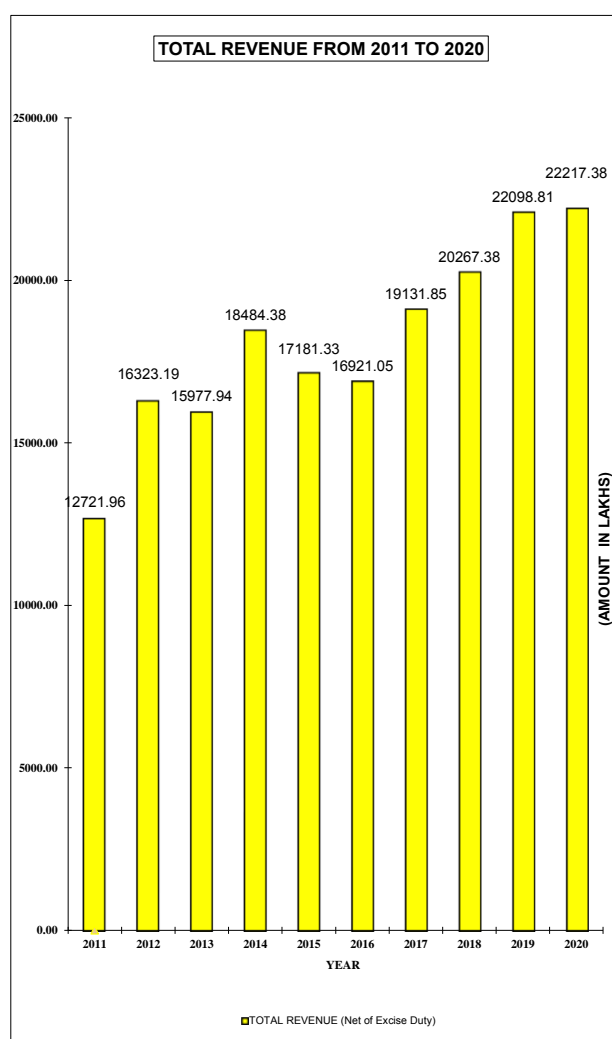
DIST. VALSAD, GUJARAT

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FINANCIAL HIGHLIGHTS

(Rupees in Lakhs)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL REVENUE (Net of Excise Duty)	12721.96	16323.19	15977.94	18484.38	17181.33	16921.05	19131.85	20267.38	22098.81	22217.38
EBITDA	2944.68	3162.47	1948.43	2678.77	1674.63	2690.79	3117.08	3164.28	3302.25	2701.90
DEPRECIATION & AMORTISATION	461.37	526.31	604.58	622.38	662.70	637.36	639.76	628.16	636.47	617.94
EBIT	2483.31	2636.16	1343.85	2056.39	1011.93	2053.43	2477.32	2536.12	2665.78	2083.96
TAXATION	794.05	768.66	371.82	627.59	204.24	630.26	781.98	710.34	777.26	374.21
PAT (PROFIT AFTER TAX)	1583.34	1598.15	656.33	1218.36	460.30	1088.41	1425.95	1640.32	1668.13	1511.28
EBITDA TO TOTAL REVENUE (%)	23.15	19.37	12.19	14.49	9.75	15.90	16.29	15.61	14.94	12.16
EBIT TO TOTAL REVENUE (%)	19.52	16.15	8.41	11.13	5.89	12.14	12.95	12.51	12.06	9.38
PAT TO TOTAL REVENUE (%)	12.45	9.79	4.11	6.59	2.68	6.43	7.45	8.09	7.55	6.80
NET BLOCK (+ CWIP)	4663.80	5473.56	6208.67	6064.59	5900.50	6197.60	5875.91	5838.51	5715.02	5876.01
PAID UP CAPITAL	324.50	324.50	324.50	324.50	324.50	324.50	324.50	324.50	324.50	324.50
RESERVES AND SURPLUS	7039.15	8252.67	8522.31	9259.58	9411.13	10108.97	11122.18	12368.76	13437.30	14359.42
NET WORTH	7302.95	8526.78	8803.88	9547.80	9699.35	10397.20	11410.44	12657.26	13725.93	14649.67
FEW KEY RATIOS										
EARNINGS PER SHARE (Rs.)	4.88	4.93	2.02	3.75	1.42	3.35	4.39	5.05	5.14	4.66
BOOK VALUE (Rs.)	22.51	26.28	27.13	29.53	29.89	32.04	35.17	39.01	42.30	45.15
DIVIDEND (%)	100.00	100.00	100.00	125.00	75.00	100.00	100.00	150.00	150.00	100.00



DIRECTORS' REPORT

To
The Members of
Modison Metals Ltd

The Directors have pleasure in presenting the Thirty Seventh Annual Report of the Company along with the Audited Financial Statements of Modison Metals Limited for the financial year ended 31st March, 2020.

FINANCIAL RESULTS

(Rupees in Lakhs)

	2019-20	2018-19
Revenue from operation & other income	22,217.38	22,098.81
Gross Profit before Finance Cost & Depreciation/Amortisation	2,983.83	3,009.20
Less: Finance Cost	198.47	220.39
Less: Depreciation / Amortisation	617.94	636.47
Profit before Exceptional items	2,167.42	2,152.34
Exceptional items	(281.93)	293.05
Profit before taxation	1,885.49	2,445.39
Less: Provision for Taxation		
Current tax	525.00	794.70
Less: Taxation adjustment of previous year	(42.25)	9.46
Less: Deferred tax	(108.54)	(26.90)
Profit after taxation	1,511.28	1,668.13
Add: Balance brought forward from the previous year	12,136.80	11,055.34
Profit available for appropriation	13,648.08	12,723.47
Add: Transfer from Revaluation Reserve	1.62	0.13
Less: Interim Dividend/Final Dividend	486.75	486.75
Less: Corporate Dividend Tax on Interim Dividend/Final Dividend	100.05	100.05
Balance carried over to Balance Sheet	13,062.90	12,136.80

OPERATIONS

During the year under review the Company has achieved the turnover of Rs. 22,217.38 Lakhs as compared to Rs.22,098.81 Lakhs during previous year. The turnover is marginally increased by 0.54% i.e. by Rs.118.57 Lakhs, However Profit before tax & after exceptional income/expense decreased by 22.90% i.e. by Rs.559.90 Lakhs & Net Profit after tax decreased by 9.40% i.e. by Rs.156.85 Lakhs.

EXPORTS

The Exports (FOB) including export in INR during the year amounts to Rs.4,544.82 Lakhs as against Rs 4,435.25Lakhs achieved in the previous year. The export is increased by 2.47% i.e. by Rs.109.57 Lakhs.

DIVIDEND

During the financial year ended 31st March, 2020, the Company paid an interim dividend of Re.1/- per equity share.

TRANSFER TO RESERVES

The Company has not transferred any amount to Reserves for the Financial Year ended 31st March 2020.

SHARE CAPITAL

The paid up equity capital as on 31st March 2020 stood at Rs.324.50 Lakhs. 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.

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 May 2019 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 continue to invest in R&D towards new product development and capability building

JOINT VENTURE

There are no joint venture companies within the meaning section 2(6) of the Companies Act, 2013.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount of principal or interest on deposit was outstanding as on the balance sheet date.

LOANS, GUARANTEES AND INVESTMENTS

The particulars of loan, guarantee and investment as per section 186 of the Act by the Company, have been disclosed in the Financial Statement.

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

A detailed review of the operations, performance, future outlook, Research and development, risk management and its business are given in the Management Discussion and Analysis Report and forms part of this report.

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

Information as per Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 relating to conservation of energy & technology absorption, foreign exchange earnings and outgo is provided in **Annexure I** forming part of this Board Report.

EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extracts of the Annual Return is available on Company's website. The web link <http://www.modison.com/annual-reports.html>.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to Corporate Social Responsibility and strongly believes in given back to society.

The Corporate Social Responsibility Committee comprises of Mr. G.L. Modi, Mr. Suresh Mody and Mr. R.A. Goenka as the members. Mr. G.L. Modi is the Chairman of the Committee.

The details of the various projects and programs which can be undertaken by the Company as a part of its CSR policy framework is available on the company's website. The web-link is <http://www.modison.com/company-code-and-policies.html>.

The disclosures required to be given under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in **Annexure II** forming part of this Board Report.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. Rakesh Singh and Mr. Kumar Jay Modi, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re- appointment.

Mr. Ashok Shantilal Jatia was appointed as an Independent Director of the Company for the term of five consecutive years with effect from 2nd November, 2015 and he will be completing his first term on 1st November, 2020.

The Board of Directors of the Company at the meeting held on 20th July 2020, on the recommendation of the Nomination and Remuneration Committee has approved the appointment of Mr. Ashok Shantilal Jatia as an Independent Director for the second term of five consecutive years with effect from 2nd November, 2020 up to 1st November, 2025 subject to the approval of members at the forthcoming AGM, since the board was of the opinion that his association would be of immense benefit to the company and it was desirable to avail the services of Mr. Ashok Shantilal Jatia as an Independent Director of the Company.

Mr. Manish Kumar Srivastava designation is elevated and appointed as Joint Managing Director of the Company subject to the approval of the members in the ensuing Annual General Meeting, for the period of 3 (Three) years w.e.f. 20th July, 2020 (earlier he was designated as CEO of the Company effective 20th May, 2019 till 19th July, 2020),

During the year Ms. Deepashree Dadkar, Company Secretary and Compliance Officer of the Company resigned from the services of the Company with effect from 15th October, 2019. Consequent to Ms. Deepashree Dadkar resignation, the Board has appointed Ms. Manika Arora as the Company Secretary, Key Managerial Personnel and Compliance Officer of the Company with effect from 16th December, 2019. Further, Mr. Ramesh Mangilal Kothari, re-appointed as Chief Financial Officer of the Company w.e.f. 26th May, 2020.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, for the purpose of attending meetings of the Board / Committee of the Company and professional fees for providing professional services.

Pursuant to the provisions of Section 203 of the Act, the following Directors/officials of the Company have been designated as Key Managerial Personnel of the Company by the Board of Directors:-

1. Girdhari Lal Modi, Managing Director
2. RajKumar Modi, Joint Managing Director
3. Kumar Jay Modi, Whole time Director
4. Manish Kumar Srivastava, Chief Executive Officer
5. Ramesh Mangilal Kothari, Chief Financial Officer
6. Manika Arora, Company Secretary.

The notice convening the Annual General Meeting includes the proposal for reappointment of Directors.

DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of technology, digitalisation, human resources, strategy, auditing, tax and risk advisory services, financial services, corporate governance, etc. and that they hold highest standards of integrity. The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

CREDIT RATING

The credit rating awarded to your Company by CARE LTD on its long term bank facilities is “CARE A +” & short-term bank facilities is “CARE A1”, respectively.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

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 of the Board, its Committees, Chairman and Individual Directors. The performance evaluation of the Independent Director was carried out by the entire Board except concerned Independent Directors. The Directors expressed their satisfaction with evaluation process.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS :

A familiarization program for independent directors as approved by the Board and details for the same is available on the Company's website. The web-link is <http://www.modison.com/other-announcements.html>.

BOARD MEETINGS :

The Board of Directors duly met 8 times during the financial year from 1st April, 2019 to 31st March, 2020. The dates on which the meetings were held are as follows:

- | | |
|------------------------|-----------------------|
| (1) 2nd April 2019 | (2) 28th May, 2019 |
| (3) 15th June, 2019 | (4) 5th August, 2019 |
| (5) 8th November, 2019 | (6) 7th January, 2020 |
| (7) 4th February, 2020 | (8) 9th March, 2020 |

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.

INDEPENDENT DIRECTORS MEETING

The meeting of the Independent Directors in FY 2019-20 was held on 4th February, 2020.

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

The policy on Directors' appointment and remuneration including the criteria for determining the qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Companies Act, 2013, forms part of the Nomination & Remuneration Policy of the Company and The policy is available on the Company's website and the web-link is <http://www.modison.com/company-code-and-policies.html>.

RELATED PARTY TRANSACTIONS

All related party transactions entered into by the Company during the financial year are placed before the Audit Committee for its approval. Prior omnibus approval of the Audit Committee is obtained for transactions, which are repetitive in nature. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The policy on Related Party Transactions as approved by the Board is available on the Company's website and the web-link is <http://www.modison.com/company-code-and-policies.html>.

Further, the disclosures as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2, form part of this Report, as **Annexure III**.

PARTICULARS OF EMPLOYEES

The particulars of employees required to be furnished pursuant to Section 197(12) of the Companies Act, 2013 read with sub-rules 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, forms part of this Report as **Annexure IV**. However, as per the provisions of Section 136 of the Companies Act, 2013, read with sub-rules 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Annual Report excluding the statement of particulars of employees, is being sent to all the shareholders of the Company. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

AUDITORS

i) Statutory Auditors

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Kanu Doshi Associates LLP, Chartered Accountants having firm registration No. 104746W /W100096, were appointed as statutory auditors of the Company for a term of three years to hold

office from the conclusion of 34th Annual General Meeting upto conclusion of 37th Annual General Meeting. Your Board is of the opinion that continuation of M/s. Kanu Doshi Associates LLP, Chartered Accountants, as Statutory Auditors for second consecutive term of two years will be in the interest of the Company and therefore, Members are requested to consider their re-appointment as the Statutory Auditor of the Company from the conclusion of this AGM till the conclusion of the 39th Annual General Meeting.

The Auditor's report on Financial Statements of the Company for the year ended 31st March, 2020, issued by M/s Kanu Doshi Associates LLP, Chartered Accountants, having firm registration No. 104746W/W10009 does not contain any qualification.

ii) Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 ('the Act') read with Rule 8 of the Companies (Accounts) Rules, 2014, it is stated that the cost accounts and records are made and maintained by the Company as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

The Board of Directors, in pursuance of Section 148 of the Companies Act, 2013, have appointed M/s. N. Ritesh & Associates., Cost Accountants, Mumbai, for conducting the audit of the cost accounting records maintained by the Company for the financial year 2020-2021. They have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from acting as Cost Auditors.

iii) Secretarial Auditor

M/s. Ragini Chokshi & Co, Practicing Company Secretaries, Mumbai were appointed to conduct Secretarial Audit for the year ended 31st March, 2020 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. The Report is self-explanatory.

COMPOSITION OF THE AUDIT COMMITTEE

As required by Section 177(8) read with Section 134(3) of the Companies Act, 2013 and the Rules framed thereunder, the composition of the Audit Committee is in line with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, details of which are provided in the Corporate Governance Report, forming part of this Annual Report.

MATERIAL CHANGES & COMMITMENTS

The COVID-19 pandemic has severely disrupted business operations due to lockdown and other emergency measures imposed by the Central & State Governments. The operations of the Company were impacted, due to shutdown of plants and offices following the nationwide lockdown. The Company continues with its operations in a phased manner in line with directives from Central & State Governments & local

authorities.

The Company has evaluated the impact of this pandemic on its business operations, liquidity and financial position and based on management's review of current indicators and economic conditions, there is no material impact on its financial results as at 31st March, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of this Report. The Company will continue to monitor any material changes to future economic conditions.

SUBSIDIARY

On June 17, 2019 Modison Contacts Private Limited become the wholly owned subsidiary Company of your Company, for a total consideration of Rs 24.92 Lakhs.

During the year, 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 form part of the Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiary in the prescribed format of AOC-1 appended as **Annexure V** in Board Report.

In accordance with Section 136 of the Companies Act, 2013 the audited financial statements including consolidated financial statements and related information of the Company and audited account of its subsidiary are available on our website www.modison.com.

The material subsidiaries policy is available on Company's website and the web link is <http://www.modison.com/company-code-and-policies.html>.

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.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

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 IndAs 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, 2020 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.

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.

Also, the Company is exposed to Strategic Risk, Allocation of funds for CAPEX, Operational Risks, Regulatory and environmental non-compliances. The Company copes these risks by developing alternate plans, framing various policies, initiatives, guidelines, using automated systems.

The Company has a robust Risk Management 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. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks.

ADEQUACY OF INTERNAL FINANCIAL CONTROL

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. Additional details on Internal Financial Controls and their adequacy are provided in the Management Discussion and Analysis Report, forming part of this Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has Whistle blower Policy for Directors and employees to deal with instance of fraud and mismanagement, if any. The Whistle blower Policy has been uploaded on the website of the Company and the web-link is <http://www.modison.com/company-code-and-policies.html>.

PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, your Company has adopted a Policy for Prevention of Sexual Harassment at Workplace and has constituted an Internal Committee (IC). The names of the Committee Members are displayed on the notice board in each office. All employees as well as contract staff and trainees are covered by this policy. Allegations of sexual harassment reported are expeditiously and discreetly investigated and disciplinary action, if required, is taken in accordance with the policy.

There was no complaint of sexual harassment received during the financial year 2019-2020.

STOCK EXCHANGE

The Company's equity shares are listed at BSE Limited and the Annual Listing Fees for the year 2019 -20 and 2020-21 has been paid.

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.

ACKNOWLEDGEMENT:

Your Directors place on record their appreciation for the assistance and support extended by all Customers, Vendors, Government Authorities, Financial Institutions, Banks, Consultants, Solicitors, Regulatory Authorities and Shareholders of the Company.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

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, 20th July 2020

G.L. MODI
Managing Director

RAJ KUMAR MODI
Jt. Managing Director

ANNEXURE I TO DIRECTORS' REPORT

Particulars Required Under Section 134 Of The Companies Act, 2013 Read With Rule 8 of Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

a) Steps taken or impact on conservation of energy:

In line with the Company's commitment towards conservation of energy, all units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption. Some of the measures taken by the Company in this direction is by installing :

- Identified area of high energy consumption like electric furnaces, optimized energy usage and consumption.
- Maintained power factor near unity, hence reduced energy losses
- Use of energy efficient tube lights, motors, air conditioner etc
- Use of energy efficient air compressors

b) Steps taken by the Company for utilizing alternate sources of energy:

During the year under review, the Company utilized solar energy for self-consumption and received rebate in electricity bill.

c) Capital investment on energy conservation Equipment's : Rupees 15.35 Lakhs

B. TECHNOLOGY ABSORPTION

a) Efforts made towards technology absorption The efforts made by the Company in

- Develop Silver based salts for pharma and food industries, development of High purity silver oxide.

b) Benefits derived like product improvement, cost reduction, product development or import substitution Product Development -Developed silver tin oxide based electrical contacts a future replacement for silver cad oxide contacts.

c) Information regarding technology imported during the last three years : Nil

d) Research & Development:

Specific areas in which R&D carried out by the company:

- Copper Beryllium alloys.
- develop Silver based salts for pharma and food industries.
- Development of High purity silver oxide.

Benefits derived as a result of above R & D :

- Foray into identified segment of MV business
- More cost competitive products made available
- Import substitution

e) Expenditure in R&D	Rupees in Lakhs
• Capital	7.32
• Recurring	52.20
• Total	59.52
• Total R&D Expenses as a percentage of total Turnover	0.27%

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 (2019-2020)

Rupees in Lakhs

i) CIF Value of Imports :	2,162.82
ii) Expenditure in Foreign Currency :	50.66
iii) Foreign Exchange earned :	4,566.27

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)
ACTIVITIES (Annexure II) FOR THE FINANCIAL YEAR 2019-2020.****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 institutes to formulate procedures to ease up the medical facilities and urgent medical treatment. The Company 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:

Web-link:

<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 : | 03.02.2020 |
| 3. | Average Net Profit of the Company for last 3 Financial Years | Average Net profit: Rupees 2,326.69 Lakh |
| 4 | Prescribed CSR Expenditure (2% of this amount as in 3 above) | The Company is required to spend Rupees 46.53 Lakhs towards CSR |
| 5 | Details of CSR spend during the Financial Year | |
| | (a) Total Amount spent for the Year | Rupees 47.35 Lakhs |
| | (b) Amount unspent (if any) | Nil |

(c) Manner in which the amount spent during the financial year is as follows:

Rupees in Lakhs

Sr. No	Projects/ Activities	Locations	Amount outlay (Budget) project or Programs wise	Amount spent on the project/ Programs	Cumulative spend upto the reporting period	Amount spent: Direct/through implementing agency*
1	Medical	Rajasthan/ Maharashtra	6.35	6.35	6.35	Direct & Implementing Agency
2	Education/ Medical	Rajasthan/ Maharashtra	40.00	40.00	46.35	Direct & Implementing Agency
3	Rural Development	Madhya Pradesh.	1.00	1.00	47.35	Direct & Implementing Agency

*Implementing Agency is Modison Charitable Trust and Rotary Foundation India.

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

Raj Kumar Modi
Jt. Managing Director

Annexure III
FORM NO. AOC – 2

{Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014}

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

There were no contracts or arrangements or transactions of the Company during the year ended 31st March, 2020, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arms' length basis:

Name(s) of the related party & nature of relationship	Nature of contract/ arrangement/ Transaction	Duration of contract / arrangement/ transaction	Salient terms of the contracts/ arrangements/ transactions including value, if any (Rupees in Lakh)
Modison Copper Private Limited Mr. G.L. Modi, Mr. Raj Modi and Mr. Kumar Jay Modi Common Director	Sale, Purchase, Supply of any goods, materials and Avail any services directly or through appointment of agents	Running Contract	Sales and Service Rs.554.26 Lakh Purchase & Job Work Rs.2,314.67 Lakh (excluding GST)

Note: All related party transactions are benchmarked for arm's length, approved by Audit Committee and reviewed by Statutory Auditors. The above disclosures on material transactions are based on threshold of 10 percent of consolidated turnover and considering wholly owned subsidiaries are exempt for the purpose of Section 188(1) of the Act.

For and on behalf of the Board of Directors

Mumbai, 20th July 2020

G.L. MODI
Managing Director

RAJ KUMAR MODI
Jt. Managing Director

ANNEXURE IV
REMUNERATION DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED.

The ratio of the remuneration (paid / payable) of each Director to the median remuneration of the employees of the Company for the financial year 2019-2020 and the percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary in the financial year:

Sr. No.	Name	Designation	Ratio to median remuneration	% Increase / (Decrease) in Remuneration in Financial Year
1	Mr. G.L. Modi	Managing Director	67.21	16.61
2	Mr. Rajkumar Modi	Joint Managing Director	41.96	56.35
3	Mr. Kumar Jay Modi	Wholetime Director	38.41	122.96
4	Mr. Suresh Mody	Non-Executive	0.43	66.67
5	Mr. R.A. Goenka	Non-Executive Independent Director	0.69	21.21
6	Mr. Ashok Jatia	Non-Executive Independent Director	0.74	79.17
7	Mrs. Rita Bhatia	Non-Executive Independent Director	0.54	47.62
8	Mr. Rakesh Singh	Non-Executive	0.38	N.A.
9	Mr. Manish Kumar Srivastava	CEO w.e.f. 20 th May 2019	N.A.	N.A.
10	Mr. Ramesh Mangilal Kothari	Chief Financial Officer	8.31	6.68
11	Ms. Deepashree Dadkar	Company Secretary (Upto 15 th October 2019)	N.A.	N.A.
11	Ms. Manika Arora	Company Secretary (w.e.f. 16 th December 2019)	N.A.	N.A.

2. Percentage increase in the median remuneration of employees in the financial year 2019-2020: **14.03%**

3. The number of permanent employees on the rolls of the Company as on 31st March,2020: **259**

4. Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:

Particular	% change in Remuneration
Average increase in salary of employees (other than managerial personnel)	6.58%
Average increase in remuneration of managerial personnel	42.48%

6.Affirmation:

It is hereby affirmed that the remuneration paid/payable during the year is as per the Remuneration Policy of the Company.

Form AOC-1
ANNEXURE V

(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

(Rupees in Lakhs)

Part "A" : Subsidiaries

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	8.00	17.81	26.32	0.50	20.23	0.82	0.43	0.08	-	100%

G.L.MODI
MANAGING DIRECTOR
RAJ KUMAR MODI
JT. MANAGING DIRECTOR
RAMESH KOTHARI
CHIEF FINANCIAL OFFICER
MANIKA ARORA
COMPANY SECRETARY

Place: Mumbai
Date: 20th July 2020



Tel 022-2283 1120
022-2283 1134

Ragini Chokshi & Co.
Company Secretaries

34, Kamer Building, 5th Floor, 38 Cawasji Patel Street, Fort, Mumbai- 400 001

E-mail: ragini.c@rediffmail.com/mail@csraginichokshi.com

Web: csraginichokshi.com

FORM NO MR-3
SECRETARIAL AUDIT REPORT
FOR THE PERIOD 01-04-2019 TO 31-03-2020

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

To,
The Members,
MODISON METALS LIMITED
33 Nariman Bhavan,
227, Nariman Point
Mumbai – 400021, Maharashtra

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 the Company’s 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, 2019 to 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period 1st April, 2019 to 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;(to the extent applicable)

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 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) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable as the Company has not bought back any of its securities during the period under review)**
- i) Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018; **(To the extent applicable)**

(vi) 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. Environment Protection Act, 1986 and other Environmental Laws
- 4. Hazardous Wastes (Management and Handling) Rules, 1980 and Amendment Rule, 2003
- 5. Indian Contract Act, 1872
- 6. Negotiable Instruments Act, 1881
- 7. The Trade Marks Act, 1999
- 8. The Legal Metrology Act, 2009

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 i.e SS-1 & SS-2 issued by The Institute of Company Secretaries of

India.

- (b) The Securities Exchange Board of India (Listing Obligations 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. mentioned above. We noted the observations regarding delay in filing mentioned as below:

1. As per Regulation 24A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 Secretarial Compliance Report for the financial year 2018 - 19 was submitted to Bombay Stock Exchange of India Limited after a delay of 15 days.
2. As per Regulation 34 (1) (a) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 the listed entity has submitted the Annual Report to Bombay Stock Exchange of India Limited after a delay of 6 days.
3. Certificate required to be submitted half yearly under Regulation 40 (9) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 for period April 2019 to September 2019 is submitted after a delay of 15 days.
4. As per Regulation 44 (3) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 voting results for the Annual General Meeting held on 06.08.2019 were to be submitted on 08.08.2019, however the same were submitted on 09.08.2019 to Bombay Stock Exchange of India Limited.

We further report that

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

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

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

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

The Compliance by the company of applicable Financial Laws like Direct & Indirect Tax Laws, Goods and Service Tax has not been reviewed in the audit since the same has been subject to the review by the statutory financial audit and other designated professionals.

We further report that during the audit period, the company had no specific events or actions which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except following :

1. Mr. Rajkumar Modi was re-appointed as Joint Managing Director of the Company for a period of three years with effect from 1st February, 2019 to 31st March, 2022.
2. Mr. Kumar Jay Modi was re-appointed as Whole Time Director of the Company for three years with effect from 1st April, 2019 to 31st March, 2022.
3. Mr. Ramavtar Nathmal Goenka was re-appointed as Non-Executive Independent Director of the Company for five years with effect from 1st April, 2019 to 31st March, 2024.
4. Mr. Manish Kumar Srivastava was appointed as Chief Executive Officer of the Company with effect from 20th May, 2019.
5. Ms. Deepashree Dadkar resigned from the post of Company Secretary (CS) with effect from 15th October, 2019.
6. Approval of continuation of service of Mr. Suresh Mody as Non-Executive Director of the company on attaining 75 years on 23rd October, 2019.
7. Ms. Rita Bhatia was re-appointed as Non-Executive Independent Director of the Company for five years with effect from 27th October, 2019 to 26th October, 2024.
8. Ms. Manika Arora was appointed as Company Secretary (CS) of the Company with effect from 16th December, 2019.

We further report that during the audit period the company has following specific events or actions which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Declaration of Final Dividend of Rs. 0.50 (Rupee Fifty Paise only) per share was approved in the Board Meeting held on 28th May, 2019.
2. Declaration of Interim Dividend of Rs. 1 (Rupee One only) per share was approved in the Board Meeting held on 9th March, 2020.

Place: Mumbai
Date: 20th July 2020

FOR RAGINI CHOKSHI & CO
COMPANY SECRETARIES

MAKARAND PATWARDHAN
(PARTNER)
CP No: 9031
ACS: 11872
UDIN: A011872B000479812

Annexure - A

To,
The Members,
MODISON METALS LIMITED
33 Nariman Bhavan,
227, Nariman Point
Mumbai – 400021, Maharashtra

Our report of even date is to be read along with this letter.

1. The maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records.

We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

- a) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- b) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- c) The compliance of the provision of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
- d) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Mumbai
Date: 20th July 2020

FOR RAGINI CHOKSHI & CO
COMPANY SECRETARIES

MAKARAND PATWARDHAN
(PARTNER)
CP No: 9031
ACS: 11872

Management Analysis & Discussion Report

Industry structure & Outlook

The Indian economy grew at 4.2% in the F.Y. 2019-20. The year gone by was extremely tough on economy with visible slowdown and ended with impact of Covid-19 pandemic spread, which further compounded the challenge.

Indian Switchgear market also saw a decline in the financial year, estimated to have de-grown by more than 6%. According to "India Switchgear (LV, MV, HV) market overview, "2019-2025", the Indian switchgear market is expected to grow with a CAGR of more than 6% in the forecasted period of next 5years from F.Y 2019 to F.Y 2025.

Due to already prevalent Head-wind in the market and then huge impact of Covid-19, this year financial outlook is very sober and recessionary. As per various rating agencies, Indian economy will see a contraction of 4.0% to 4.5% in year 2020-21.

However, with government's various initiatives & huge infusion of funds in various sectors with some of the structural sectoral preform, we expect to see a revival in last stage of this year leading to "V" growth in 2021-22.

Overall the economic situation is extremely challenging.

Vision

The Company's vision continues to 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 remain "Supplier of choice" during this tough period with high degree of collaboration with our customers. Company aims to expand its horizon in the range to manufacture every product under the umbrella of LV, MV and HV electrical contacts manufacturing industry to serve its customer.

Business Strategy

The Company deploys robust business strategy in this business environment to De-risk business alongwith continued focus on profitable growth.

We have clear focus on 3 "Cs" which are Customer, Cash & Cost, which mainly deal with de-risking of the business. To further expand, unlock & align the capacity to meet market demand, we have started implementation of Lean-Sis Sigma across all the lines

Company is determined to achieve profitable growth through New market development, Operational excellence, Procurement optimisation, Customer intimacy and Quality First approach. Innovation, Expansion and Penetration will be focussed approach alongwith relentless execution.

We will have focus on people with higher intensity on Learning and Development alongwith a newly launched PMS (performance management system). This facilitates the Company to retain and nurture talent. Integrity, Health & Safety will be core to our all actions and be part of our business strategy.

Operational, Product wise & Financial Performance

(a)FY20 was a relatively good year for the Company, considering the severe demand depletion in market and disruption in business activities in the month of March, which impacted both top line as well as bottom line.

The volume remained flat which was in higher growth trajectory till first 11 months of the year before pandemic speed-breaker got applied. Company however did not see any de-growth in last 7 years is testimony to its well positioned offering and penetration in the market. The operation profit also saw a slight growth however net EBITA was down to 2.7% over sales volume due to adverse hedging impact on Silver and non-conversion of saleable goods to revenue due to disruption caused by Covid-19 in March-2020.

Overall productivity of company improved in year 2019-20 due to various operational excellence initiatives In HV, company enhanced penetration in GIS market and developed new parts in LV.

The year was mixed bag for new businesses like silver salts, bullion & Cutlery . Silver salts continued to witness non rewarding market price yet we clocked 6% growth over last year. The company consolidated bullion sale through post office and also entered with few players into strategic yearly contract leading to a growth of 18%

Credit Analysis & Research (CARE LTD.) has affirmed and improved credit rating for all the debt instruments. Its long term bank facilities is "CARE A +" & short-term bank facilities is "CARE A1", respectively

(b)Financial and Operating Performance

The total income of the Company for the current year is Rs. 22,217.38 Lakhs as compared to Rs.22,098.81 Lakhs during the previous year. The Company has made a net profit of 1,885.49 Lakh during the current year as against the net profit Rs.2,445.39 Lakh in the previous year. The EPS for the current year is Rs.4.66 as against Rs.5.14 in the previous year.

Opportunity

It has been Company's continuous philosophy invest in capacity and in capability. Apart from unlocking the capacity due to Opex activities, we have also invested in plant & machinery to tap the new market opportunities arising out of changed geo-political situation.

We intend to enhance our range in GIS product family, MV/Transformer market, new product range development in LV. We also aim to expand into new geographies (export focus) especially in LV segment.

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.

We are actively looking for diversification opportunity in growth sectors and also for any strategic investment based on value proposition.

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 Company continue to spend in R&D in sync with its need and in line with industry practices.

The efforts made by the Company in developing in-house high purity Silver oxide powder for applications in batteries, pharma, etc.

Company also developed the following:

- Silver Refractory metal composite based electrical contacts
- Copper Beryllium alloys.
- High purity Silver Oxide

Continuous innovation in new product development, import substitution and competitiveness are the main drivers in this field.

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 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

Company gives high attention towards People aspect, which is essential for driving growth. Empathy, Collaboration & Trust remains the key value towards employees.

Company has formulated plan to retain key talents, attract new competencies and nurture them well throughout. Company took focussed initiative to strengthen key forward looking functions by recruiting the new talents in the field of Opex, Automation & digitalisation etc.

We rolled out new Performance Management System (PMS) to have objective assessment of employees. This system enhances the transparency and focuses on both Performance as well as Behaviour. A clear Reward, Recognition & Remuneration system is designed based on this new PMS. Also, Learning & Development needs are identified.

Many other continuous improvement initiatives are being run to create a culture of “Learning and Growing” like Weekly knowledge sharing, Rotating trophy for productivity, safety & 5S, small suggestion schemes, Best performer award, spot recognition etc.

We have enhanced performance based system and 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.

We value employee engagement and encourage the culture of continuous improvement through Kaizen and participative excellence.

KEY FINANCIAL RATIO

The Key Financial Ratios for the financial year 31st March, 2020 are as under:

Particular	2019-20	2018-19*
Debtors Turnover	65	62
Inventory Turnover	3.50	3.94
Interest Coverage Ratio	10.50	12.10
Current Ratio	3.11	3.32
Debt Equity Ratio	0.18	0.15
Operating Profit / (Loss) Margin (%)	8.18%	11.78%
Net Profit / (Loss) Margin (%)	8.49%	11.07%
Return on Networth (%)	12.84%	17.77%

* These ratios were not provided in last year's Annual Report.

Corporate Social responsibility

The Company's philosophy of contributing to society in its humble way is mainly in the area of health, education & sanitation as India needs to do lot of work in these areas to move forward.

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

The Company ventured into providing basic amenities in the village school by ensuring the basic needs of providing class rooms and necessary furniture for the same so that village students can get the basic comfort which will facilitate improved learnings.

The Company also contributed significantly in treatment of children suffering from cancer at state of the art hospitals.

Charity was made to dental associations and in the mid-day meals for the school children.

The Company will continue to make humble contribution in the area of health, education & sanitation as it believes that these three areas are the one needing maximum attention towards inclusive society.

Not to mention, during Covid-19 pandemic, company took many initiatives to help the needy and society at large.

Cautionary Statement

The statements in this report on "Management Discussion and Analysis", describing the Company's objectives, estimations, expectations or projections, outlook etc., may constitute forward looking statements within the meaning of the applicable Rules, Laws and Regulations. Actual results may vary from such expectations, projections etc., whether express or implied. These statements are based on certain assumptions and expectations of future events over which the Company has no direct control.

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 adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act"). The

Company's corporate governance philosophy has been further strengthened through the Modison Metals Limited, Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Insider Trading Code").

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 Director:-

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 composition of Board, as on 31st March, 2020, is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31st March, 2020, the Board comprised of the eight Directors - Three Executive Directors and five Non-Executive Directors, of whom three are Independent Directors. The current strength of the Board includes one Women Director as required under applicable legislation. The Chairman of the Board is a Non-Executive Independent Director.

The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2020 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of Director	Category	Relationship with Other Directors	Meetings held during the year	Attendance at Board Meetings	Attendance at last AGM	Number of Directorship in Board of Other Public Companies)	Committee Position Held in other Public Companies		Directorship in other listed entity (Category of Directorship)
							Chairman	Member	
Mr. Ashok Jatia - Chairman	Non-Executive & Independent	None	8	8	Yes	NIL	-	-	-
Mr. G.L. Modi Managing Director	Executive	Father of Mr. Kumar Jay Modi	8	8	Yes	Nil	-	-	
Mr. Rajkumar Modi - Joint Managing Director	Executive	None	8	7	Yes	Nil	-	-	
Mr. Kumar Jay. Modi- Whole time Director	Executive	Son of Mr. G.L.Modi	8	7	Yes	Nil	-	-	-

Mr. Rakesh Singh-Director	Non-Executive	None	8	7	Yes	Nil	-	-	-
Mr. Suresh Mody	Non-Executive	None	8	8	Yes	Nil	-	-	-
Mr. R A Goenka	Non-Executive & Independent	None	8	7	Yes	1	-	-	-
Mrs. Rita Bhatia-Women Director	Non-Executive & Independent	None	8	5	Yes	1	-	-	-

b) Appointment / Reappointment of Directors

Mr. Rakesh Singh and Mr. Kumar Jay Modi retire by rotation at the ensuing Annual General meeting and being eligible, offer them-self for re-appointment. Approval of the shareholders is sought at the ensuing Annual General Meeting for their re-appointment as Directors of the Company.

The list containing the details of the Directors seeking appointment & re-appointment at the 37th Annual General Meeting is given below:

Name of the Director	Mr. Rakesh Singh	Mr. Kumar Jay Modi
Date of birth	01.03.1968	05.12.1978
Date of Appointment	02.11.2015	01.04.2012
Qualification	BE (Mechanical) with Graduate Diploma in Materials Management	B.Com
Expertise in specific functional	30 years in various areas of operations	International Sales & Marketing

Area		
List of other public limited companies (in India) in which outside directorship held	None	None
Member of the committee/s of Board of Member of the committee/s of Board of Directors of other companies in which he is a Director	None	None
Relationship with other Director	None	Son of Mr. G.L. Modi
Number of Shares held in the company	12000	1774000
Terms and Condition of Re-appointment	Appointment on account of retire by rotation, No change in terms	Appointment on account of retire by rotation, No change in terms
Remuneration	No Remuneration, only sitting fee for attending Board meetings	For detail regarding remuneration drawn please refer Nomination and Remuneration Committee item no. h given in this report

Name of the Director	Mr. Manish Kumar Srivastava	Mr. Ashok Jatia
Date of birth	12-07-1973	29-10-1958
Date of Appointment	20-07-2020	10-08-2015
Qualification	B.Tech (Electricals), IET (Lucknow University), 1996- Gold Medallist	Chartered Accountant, Cost Accountant, Company Secretary and Law Graduate
Expertise in specific functional area	24 years of working experience in ABB, CTR & CGL in India	34 years in the field of Chartered Accountancy, Cost Accountancy, Secretarial and Legal Matter

	and Switzerland for working with local as well as global customers.	
List of other public limited companies (in India) in which outside directorship held	None	None
Member of the committee/s of Board of Directors of other companies in which he is a Director	None	None
Relationship with other Director	None	None
Number of Shares held in the company	12549	Nil
Terms and Condition of Appointment/Re-appointment	For detail of the terms and conditions of appointment please refer Explanatory Statement in respect to Special Business set out at Item No. 13 of the Notice of the AGM pursuant to the Companies Act, 2013	For detail of the terms and conditions of re-appointment please refer to the above Explanatory Statement in respect to Special Business set out at Item No.6 of the Notice of the AGM pursuant to the Companies Act, 2013
Remuneration	For detail regarding Remuneration, please refer to the Explanatory Statement in respect to Special Business set out at Item No. 13 of the Notice of the AGM pursuant to the Companies Act, 2013	No Remuneration. Only sitting fee for attending Board meetings.

c) List of core skills/expertise/competencies required in context of business and sector along with the name of the Directors who have such skills /expertise and competence:-

As identified by Board of Directors, following are the core skills/expertise/competencies required in context of business and sector:

- 1) Technology
- 2) Automation
- 3) Higher productivity
- 4) Product competency
- 5) Product quality
- 6) Engineering
- 7) Project Executive
- 8) Engineering creative solutions
- 9) Legal
- 10) Corporate governance

Sr. No	Name of Director	Category	Special Knowledge/Practical Experience/Skills/ Expertise/ Competencies
1	Mr. G. L. Modi	Managing Director	1) Technical knowledge 2) Engineering 3) Engineering creative solutions 4) Business Strategy 5) Risk management 6) Product quality
2	Mr. Suresh Mody	Non Executive Director	1) Taxation 2) Finance 3) Legal 4) Corporate Governance
3	Mr. Rajkumar Modi	Joint Managing Director	1) Sales & Marketing 2) Business Strategy 3) Business management

			4) Project execution 5) Automation 6) Product competency
4	Mr. Kumar Jay Modi	Wholetime Director	1) Sales & Marketing 2) Higher productivity 3) Business management 4) Project execution 5) Product competency-bullion
5	Mr. Rakesh Singh	Non Executive Director	1)Business Strategy 2) Business Management
6.	Mr. R.A.Goenka	Non Executive & Independent Director	1)Business Management 2)Technical Knowledge 3)Marketing-overseas
7.	Mr. Ashok Jatia	Non Executive & Independent Director	1)Accountancy 2)Finance 3) Taxation 4)Investment
8.	Mrs. Rita Bhatia	Non Executive & Independent Director	1) Legal

d) The Board periodically reviews the compliance reports of all laws applicable to the Company.

e) Details of equity shares of the Company held by the Directors as on March 31, 2020 are given below:

Name	Category	Number of equity shares
Kumar Jay Modi	Non-Independent, Executive	1774000
Rajkumar Modi	Non-Independent, Executive	6747305

Rakesh Singh	Non- Independent, Non-Executive	12000
Sureshchandra Mody	Non-Independent, Non-Executive	237240

f) Relationships between Directors Inter-se.

None of the Directors of the Company are in any way related to each other except Mr. Kumar Jay Modi is the son of Mr. G.L. Modi.

g) Independent Directors

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

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 as amended from time to time.

None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors.

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 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in this

regard, as amended from time to time.

The terms and conditions of appointment of Independent Directors are available on the Company website viz; www.modison.com.

h) 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 4th February, 2020 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 Management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

i) Familiarisation Programme for Independent Directors

All the Directors are aware and are also updated as and when required, of their role, responsibilities and liabilities. 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.

Further, pursuant to Regulation 25(7) and 46 of SEBI Listing Regulations the details of such familiarisation programmes have been disclosed on the Company's website at [http:// www.modison.com/other-announcements.html](http://www.modison.com/other-announcements.html).

5) BOARD MEETINGS AND GENERAL MEETINGS

i) 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 inter alia to review the quarterly performance and financial results. A total of Eight Board Meetings were held during the year 2019-2020 on the following dates: 02.04.2019, 28.05.2019, 15.06.2019, 05.08.2019, 08.11.2019, 07.01.2020, 04.02.2020 and 09.03.2020.

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.

ii) GENERAL MEETINGS

Annual General Meetings held during last three years:

Financial year	Date	Time	Venue
2016-2017	25.07.2017	11.30 A.M.	Radio Room, The Bombay Presidency Radio Club Ltd., Arthur Bunder Road, Colaba, Mumbai-400005
2017-2018	07.08.2018	11.30 A.M.	
2018-2019	06.08.2019	11.30 A.M.	

Postal Ballots

j) During the Financial Year 2019-2020, there were no special resolutions passed by way of Postal Ballot.

ii) **Details of special resolution proposed to be passed through postal ballot:-**

None of the business proposed to be transacted at the ensuing AGM require special resolution to be passed through postal ballot.
The following Special Resolutions were passed at the AGM held on 25.07.2017

i) To appoint Mr. B.B. Singh as a consultant.

The following Special Resolutions were passed at the AGM held on 07.08.2018

i) To re-appoint and fix remuneration of Mr. G.L. Modi, (DIN:00027373) as a Managing Director.

ii) To reappoint and fix remuneration of Mr. Kumar Jay Modi (DIN No: 00059396) as a Whole-time Director.

iii) To appoint Mr. Sureshchandra Mody (DIN: 00027432) as a consultant.

iv) To approve amendment in agreement and approve the remuneration of Mr. Rakesh Singh (DIN:07319353), Whole Time Director of the Company.

The following Special Resolutions were passed at the AGM held on 06.08.2019

i) To appoint and fix remuneration of Mr. RajKumar Modi (DIN: 00027449), Joint Managing Director.

ii) To re-appoint and fix remuneration of Mr. Kumar Jay Modi (DIN: 00059396), Whole Time Director.

- iii) To re-appoint Mr. R.A. Goenka (DIN: 00140376) as an Independent Director.
- iv) To re-appoint Ms. Rita Bhatia (DIN: 06973893) as an Independent Director.
- v) To appoint Mr. Sureshchandra Mody (DIN: 00027432) as a consultant.

iii. EXTRA ORDINARY GENERAL MEETING

No Extra Ordinary General Meeting of the Shareholders was held during the financial year ended 31st March, 2020.

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 31st March, 2020, the Board of Directors amended the terms of references, wherever required.

The Board has constituted the following committees :

- 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.

The composition of the Committees, the number of meetings held during the year ended 31st March, 2020 and attendance therein along with the terms of reference are provided below:

I. Audit Committee

a) Composition

The Audit Committee meets the criteria laid down under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure) Regulations, 2015. As on 31st March, 2020, Audit Committee comprises of three Independent Directors including the Chairman of the Audit Committee and one Executive Director.

Sr. No	Name of Director	Category	Position
1	Mrs. Rita Bhatia	Non Executive and Independent Director	Chairperson
2	Mr. R A Goenka	Non Executive and Independent Director	Member
3	Mr. Ashok Jatia	Non Executive and Independent Director	Member
4	Mr. Rajkumar Modi	Executive Director	Member

b) Meetings and details of attendance

Four Audit Committee Meetings were held during the year ended 31st March, 2020 on 28.05.2019, 05.08.2019, 08.11.2019 and 04.02.2020. Details of attendance of each Director at the Audit Committee Meetings are given below:-

Sr. No	Name	No. of meetings held during the Year	No. of meetings attended during the year
1	Mrs. Rita Bhatia	4	3
2	Mr. R. A Goenka	4	4
3	Mr. Ashok Jatia	4	4
4	Mr. Rajkumar Modi	4	4

The Company Secretary acts as the 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, Chief Financial Officer and Internal auditor are invitees to the meetings.

The constitution of the Audit Committee meets with the requirements of Regulation 18 and Schedule II Part C of the SEBI Listing Regulations as amended and Section 177 of the Companies Act, 2013.

The minutes of the meetings of the Audit Committee are noted at the Board Meetings. The Chairperson of the Audit Committee, Mrs. Rita Bhatia was present at the 36th Annual General Meeting held in 2019 for addressing shareholders queries.

c) Terms of reference

- 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) Reviewing the annual cost audit report submitted by the Cost Auditors.
- xxi) Reviewing the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions;
 - Management letters/letters on internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to internal control weaknesses;
- xxii) The appointment, removal and terms of remuneration of the chief internal auditor.
- xxiii) Carrying out any other function as mentioned in the terms of reference of Audit Committee.

II. NOMINATION AND REMUNERATION COMMITTEE

a) Composition

The Nomination and Remuneration Committee meets the criteria laid down under Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure) Regulations, 2015. As on 31st March, 2020, Nomination and Remuneration Committee comprises of three Independent Directors including the Chairman of the Nomination and Remuneration Committee.

Sr. No	Name of Director	Category	Position
1	Mr. R A Goenka	Non Executive and Independent Director	Chairman
2	Mrs. Rita Bhatia	Non Executive and Independent Director	Member
3	Mr. Ashok Jatia	Non Executive and Independent Director	Member

b) Meetings and details of attendance

Two Nomination and Remuneration Committee Meetings were held during the year ended 31st March, 2020 on 28.05.2019 and 07.01.2020. Details of attendance of each Director at the Nomination and Remuneration Committee Meetings are given below:-

Sr. No	Name	No. of meetings held during the Year	No. of meetings attended during the year
1	Mr. R. A Goenka	2	2
2	Mrs. Rita Bhatia	2	2
3	Mr. Ashok Jatia	2	2

The minutes of the meetings of the Nomination & Remuneration Committee are noted at the Board Meetings. The Chairman was present in the Last Annual General Meeting to answer shareholder's queries.

c. 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.
- Formulate 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
- Formulate the criteria for evaluation of Independent Directors and the Board of Directors

- Devise a policy on diversity of Board of Directors
- Identify 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.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

d. Performance Evaluation Criteria for Independent Directors

The Nomination & Remuneration Committee has formulated the criteria for evaluation of Independent Directors and the performance of the Independent Directors was evaluated during the year based on the said criteria.

e. Performance Evaluation of Board:-

The Board carries out the evaluation of the performance of Directors and Committees of the Board.

The purpose of the evaluation is to assess the performance of the Directors in discharging their responsibilities and to evaluate how effectively the Board, the Directors and the Committees were fulfilling their role and duties.

An annual evaluation of the Board is conducted to assess the performance of the Board as a whole and that of individual Board members. Performance is assessed based on clearly defined objective criteria, which are in line with the Company's policy. Performance is measured against commitments and best-in-class benchmarks. Plans for orderly succession of the Senior Management are also in place.

As required under Regulation 25 of the SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was also held on 4th

February, 2020 to evaluate the performance of the Chairman, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Non-Executive Directors. During the year under review, a structured questionnaire was circulated to all Directors for evaluation of performance of the Board, its Committees, Chairman and Individual 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.

f. Remuneration Policy

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

g. Remuneration of Independent Non-Executive Directors

The remuneration to be paid to the Independent Non-Executive Directors is decided by the Board based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the shareholders of the Company. The remuneration shall not exceed 1% of the net profit of the Company for each financial year calculated as per the provisions of the Companies Act, 2013. The Independent Non-Executive Directors of the Company did not receive any commission from the Company for the financial year ended 31st March, 2020. Only Professional and sitting fees as approved by the Board were paid to the Independent Non-Executive Directors for providing professional services and attending the meetings of the Board and/or Committee thereof.

h. Remuneration paid to all the Directors

Remuneration of Directors, Sitting Fees, Salary, Perquisites:

Executive Director: Managing Director / Whole time Directors.

Remuneration to Managing Director and Whole time Director shall be in accordance with the provisions of the Companies Act, 2013.

The remuneration to the Managing Director / Whole time Director is approved by the Nomination and Remuneration Committee, Board of Directors and subsequently ratified by the Shareholders in the meeting, wherever applicable and further, remuneration to the Whole time Director is being paid in accordance with and subject to the limits laid down in Schedule V to the Companies Act, 2013.

The Remuneration (including perquisites and benefits) paid to the Managing Director/ Whole time Director during the year ended 31st March 2020 is as follows:-

(Rupees in Lakhs)

Sr. No	Name of director	Sitting Fees	Salary(*)	Perquisites	Gratuity Provision	Contribution to Provident Fund	Total Amount
1	G. L. Modi, Managing Director	-	186.60	2.93	4.50	0.22	194.25
2	Rajkumar Modi, Joint Managing Director	-	116.20	2.05	2.81	0.22	121.28
3	Kumar Jay Modi, Whole Time Director	-	106.89	1.31	2.58	0.22	111.00

(*) Salary includes leave salary also.

i. Service Contracts, Severance Fees and Notice Period:

The appointment of Mr. Manish Kumar Srivastava, Joint Managing Director is for a period of 3 years, from 20.07.2020 to 19.07.2023.

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

j. Performance linked incentive criteria

No such performance linked incentive are given to the appointees.

k. Employee Stock Option Scheme

The Company does not have any stock option scheme.

l. Payment to Non-Executive Directors

Non-Executive directors are paid in the form of sitting fees for attending the Board and Committee Meetings as fixed by the Board of Directors from time to time subject to the limits prescribed under the Companies Act, 2013.

Under the Companies Act, 2013, Section 197 allows a Company to pay remuneration to its Non- Executive Directors for services rendered by any such Director if:

- a) The services rendered are of Professional nature;
- b) In the opinion of Nomination and Remuneration Committee, the Director possesses the requisite qualification for the practice of the profession.

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.

Name of Director	Professional Service	Professional Fees
Mr. Suresh Mody	Consultant	15.00
Mr. Rita Bhatia	Legal	0.90

The details of Sitting Fees paid to Non-Executive Directors for attending Board and Committee Meetings during the year 2019-2020 are given below:
(Rupees in Lakhs)

Sr. No.	Name Of Director	Directors Sitting Fees (*)
1	Mr. Suresh Mody	1.25
2	Mr. Ramavtar Goenka	2.00
3	Mrs. Rita Bhatia	1.55
4	Mr. Ashok Jatia	2.15
5	Mr. Rakesh Singh	1.10

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

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

Sr. No	Name of Directors	No of shares held
1	Mr. Suresh Mody	237240
2	Mr. Ramavtar Goenka	-
3	Mr. Rakesh Singh	12000
4	Mrs. Rita Bhatia	-
5	Mr. Ashok Jatia	-

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 minutes of the meeting of the Stakeholders' Relationship Committee was noted at the Board Meeting. The Chairperson of the Stakeholders' Relationship Committee was present at the 36th Annual General Meeting held on 6th August, 2019.

The Composition of the Stakeholders Relationship Committee is detailed below:

Sr. No	Name of the Director	Category	Position
1	Mr Ashok Jatia	Non- Executive and Independent	Chairman
2	Mr. G L Modi	Executive	Member
3	Mr. Rajkumar Modi	Executive	Member

The Company Secretary, is acting as the Compliance Officer of the Committee. The Committee also noted that there were no investors/shareholders complaint received during the year ended on 31st March 2020.

Stakeholders Relationship Committee meetings and attendance

One Stakeholders Relationship Committee Meeting was held during the year ended 31st March, 2020 on 3rd February 2020. Details of attendance of each Director at the Stakeholders Relationship Committee Meeting is given below:-

Sr. No	Name	No. of meetings held during the year	No. of meetings attended during the year
1	Mr Ashok Jatia	1	1
2	Mr. G L Modi	1	1
3	Mr. Rajkumar Modi	1	1

The terms of reference of the Stakeholders' Relationship Committee covers the matters specified in Part D of the Schedule II of the SEBI Listing Regulations as amended. The Committee looks into redressal of shareholders' and investors'

complaints/grievances. The Committee also looks into complaints concerning transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc. The Committee also reviews measures taken for effective exercise of voting rights by shareholders. The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor service. The Committee also reviews various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants, annual reports by the shareholders of the Company.

A summary of the complaints received, cleared/ pending during the financial year under review are given below:

Particulars	Number of Complaints			
	As on 1 st April, 2019	Received during Financial Year	Clear during Financial Year	Pending as on 31 st March, 2020
Non-receipt of demand draft	NIL	NIL	NIL	NIL
Non-receipt of share certificates after transfer, deletion of name, transmission, consolidation of folios & share certificates, correction of name etc	NIL	NIL	NIL	NIL
Non-Receipt of Annual Report	NIL	NIL	NIL	NIL
SEBI Complaints Redressal System (SCORES) and Stock Exchange(BSE)	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL

There were no investor grievances which remained unattended/pending for resolution for more than 30 days. Requests for share transfers and dematerialization received during the financial year have been processed within the time limit prescribed under the SEBI Listing Regulations.

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.

The Composition of the CSR Committee is detailed below:

Sr. No	Name of the Director	Category	Position
1	Mr. G L Modi	Executive	Chairman
2	Mr. Suresh Mody	Non- Executive	Member
3	Mr. R A Goenka	Non- Executive and Independent	Member

One meeting of the CSR Committee was held on 3rd February, 2020. The Chairman was present in the last Annual General Meeting. A detail of attendance of each Director at the CSR Committee Meeting is given below:-

Sr. No	Name	No. of meetings held during the year	No. of meeting attended during the year
1	Mr. G L Modi	1	1
2	Mr. Suresh Mody	1	1
3	Mr. R A Goenka	1	1

V. RISK MANAGEMENT COMMITTEE

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

Mr. Rajkumar Modi, Joint Managing 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:

Sr. No	Name of the Director	Category	Position
1	Mr. Raj Kumar Modi	Executive	Chairman
2	Mr. Kumar Jay Modi	Executive	Member
3	Mr. Rakesh Singh	Non-Executive	Member

VI SHARE TRANSFER COMMITTEE

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

The Composition of the Share Transfer Committee is detailed below:

Sr. No	Name of the Director	Category	Position
1	Mr. Rajkumar Modi	Executive Director	Chairman
2	Mr. Ramesh Kothari	Chief Financial Officer	Member

VII. FINANCE COMMITTEE

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

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

The Composition of the Finance Committee is detailed below:

Sr. No	Name of the Director	Category	Position
1	Mr. G.L Modi	Executive	Chairman
2	Mr. Suresh Mody	Non-Executive	Member
3	Mr. R A Goenka	Non-Executive and Independent	Member

7) DISCLOSURES

- **Whistle Blower Policy/Vigil Mechanism**

In term of regulation 22 of SEBI Listing Regulations in line with the best Corporate Governance practices, the company has this policy and established the necessary vigil mechanism for directors and employees to report concern about unethical behavior. No person has been denied access to the Chairperson of the Audit Committee. 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 and the web-link is <http://www.modison.com/company-code-and-policies.html>.

- **Subsidiary Company**

In term of regulation 24 of the SEBI Listing Regulations, The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary company. The minutes of Board meetings along with a report on significant developments of the unlisted subsidiary company is periodically placed before the board of directors of the company.

The company doesn't have material unlisted subsidiary company.

The company has a policy for determining "material subsidiaries" which is disclosed on the website.

- **Disclosure of transactions belonging to promoter/promoter group**

Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, there are no transactions entered by the Company with any person or entity belonging to the promoter/promoter group which holds 10% or more shareholding other than remuneration to Directors. However, the details of the transaction entered by the Company with related parties have been disclosed in AOC-2 forming part of the Annual Report.

- **Policy on Determination of Materiality for Disclosure**

Pursuant to Regulation 30 of SEBI Listing Regulations the Company has adopted this policy and the weblink is <http://www.modison.com/company-code-and-policies.html>.

- **Policy on Archival and Preservation of Documents**

Pursuant to regulation 9 of SEBI Listing Regulations the Company has adopted this policy and the weblink is <http://www.modison.com/company-code-and-policies.html>.

8)OTHER DISCLOSURES

- Related party transactions are disclosed in Note No. 43 to the financial statement in the Annual Report along with detail of such transaction entered by the Company with related parties have been disclosed in AOC-2. 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 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/company-code-and-policies.html>.

- 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.
- Pursuant to Schedule V (C) 10 (b) to the SEBI Listing Regulations, 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.
- 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.
- The Company has complied with all the mandatory requirements and has also disclosed information relating to non-mandatory requirements.
- Risk Management:

The Company has a mechanism in place to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework.
- The Company manages its foreign exchange risks by hedging its net exposure with the use of appropriate hedging instruments (e.g. forward contracts). The derivatives are used only for hedging purposes and speculation is strictly prohibited.
- Credit Rating:

Credit Rating awarded to your Company by CARE on its long-term bank facilities is “CARE A +” & short-term bank facilities is “CARE A1”, respectively.

- The Company has complied with the corporate governance requirements specified in Regulations 17 to 27 and the mandatory requirements under Schedule II and Regulation 46 of the SEBI Listing Regulations as amended.
- The Corporate Governance Report of the Company for the financial year ended 31st March, 2020 is in compliance with the SEBI Listing Regulations.
- M/s. Ragini Chokshi & Co. has certified that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Ministry of Corporate Affairs or any statutory Authority. A certificate duly signed by the Practicing Company Secretary is annexed to this Report.
- There are no such recommendations of any committee of the board which are not accepted during the financial year.
- M/s. Kanu Doshi and Associates LLP, Chartered Accountants (Firm Registration No.104746W/ W100096) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditor's Fees, on consolidated basis is given below:

Particulars	Amount in Lakh
Audit Fees	3.00
other matters	1.66
Total	4.66

- No funds are raised during the financial year through preferential allotment or qualified institutions placement.
- 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.

9) MEANS OF COMMUNICATION

- **Quarterly un-audited Financial Results , newspapers wherein results are normally published**

The Quarterly and Half-yearly un-audited Financial Results are generally published in the Economic Times, Navbharat Times and Maharashtra Times Newspaper. 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. The Company's website is: www.modison.com.

- **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

- **Chairman's Office**

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

- **Audit Qualifications**

There are no qualifications in the Auditors' Report to the Members on the Financial Accounts for the year ended 31.03.2020.

- **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.

- **Reporting of Internal Auditor:**

The Internal Auditor of the Company reports to the Audit Committee.

- **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 Practicing 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 Practicing 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 Practicing Company Secretary forms part of the Board's Report as an Annexure. The Report is self-explanatory.

12) GENERAL SHAREHOLDER INFORMATION

a) Date: Tuesday, September 8, 2020

Time: 11.30 A.M.

Venue: The Annual General Meeting of the Company will be held on Tuesday, September 8, 2020 at 11.30 A.M. through OAVM/VC pursuant to MCA circular dated 5th May, 2020 and as such there is no requirement of venue for the AGM. For detail please refer Notice of the AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking re-appointment at this AGM are given in annexure to the Notice of AGM.

b) Financial Calendar: April 1, 2019 to March 31, 2020.

c) Book Closure: 2nd September, 2020 to 8th September, 2020.

d) Dividend Payment Date: Not Applicable

e) Listing on Stock Exchanges: The equity shares of the Company are listed on the following Stock Exchange

Name of the Stock Exchange	Address
BSE Ltd. (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400001

The Company has paid the annual listing fees for the financial year 2019-2020 and 2020-2021 to the Stock Exchange.

f) Stock Code/ Symbol:

Stock Code: 506261 (BSE Ltd)

ISIN No : INE737D01021

g) Corporate Identity Number (CIN) of the Company: L51900MH1983PLC029783

h) The Company's financial year begins on 1st April and ends on 31st March.

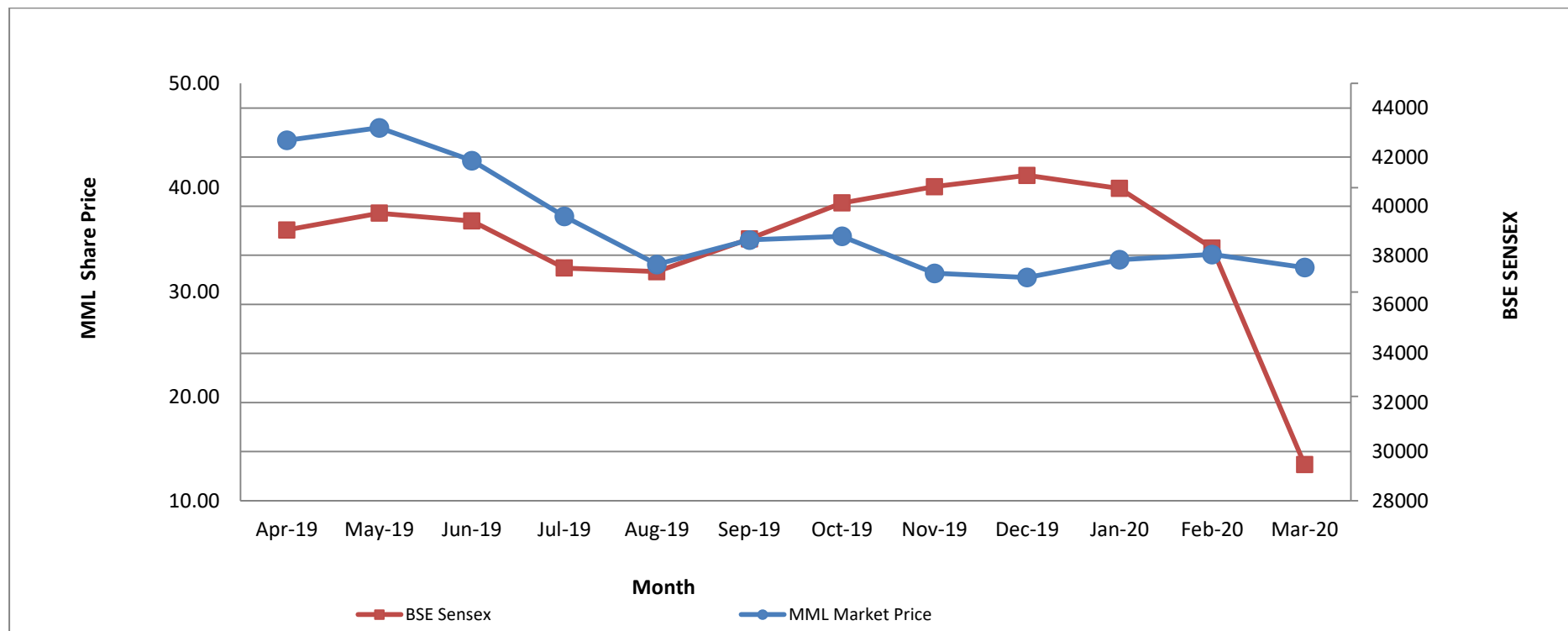
Financial Calendar (provisional)	1 st Quarterly Result	Second week of August 2020
	2 nd Quarterly Result	Second week of November 2020
	3 rd Quarterly Result	Second week of February 2021
	Annual Results	Last week of May 2021

i) Share Market price data
shares of the company

The monthly high and low prices of equity
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.2019	50.75	43.05	39,487.45	38,460.25
May.2019	48.60	39.05	40,124.96	36,956.10
Jun.2019	46.95	40.20	40,312.07	38,870.96
Jul.2019	44.75	35.50	40,032.41	37,128.26
Aug.2019	40.30	31.00	37,807.55	36,102.35
Sep.2019	38.50	31.30	39,441.12	35,987.80
Oct. 2019	36.00	29.05	40,392.22	37,415.83
Nov.2019	36.50	30.10	41,163.79	40,014.23
Dec.2019	32.75	29.95	41,809.96	40,135.37
Jan.2020	37.00	29.00	42,273.87	40,476.55
Feb.2020	41.70	32.10	41,709.30	38,219.97
Mar.2020	36.00	22.05	39,083.17	25,638.90

Performance of the share price of the Company in comparison to the BSE Sensex:-



j) 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.

k)

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

l) Distribution of Shareholding:
As on 31st March, 2020

Slab	No. of shareholders		No. of Equity Shares	
	Total	%	Total	%
1-100	2143	36.08	128654	0.40
101-200	908	15.29	162028	0.50
201-500	1325	22.31	512352	1.58
501-1000	665	11.20	561744	1.73
1001-5000	663	11.16	1514336	4.67
5001-10000	106	1.78	783648	2.41
10001 & Above	129	2.17	28787238	88.71
Total:	5939	100	32450000	100

m) Shareholding Pattern
As on 31st March, 2020

	Category	No. of Equity shares	%
(A)	Shareholding of Promoters & Promoter Group	17128124	52.78
(B)	Public Shareholding		
(1)	Institutions	-	-
	(a) Financial Institutions / Banks	50000	0.15
(2)	Non-Institutions		
	(a) Bodies Corporate	459548	1.42
	(b) Individuals:-		
	i. holding nominal share capital up to Rs. 2 lakh	5738756	17.68
	ii. holding nominal share capital excess Rs. 2 lakh	8229783	25.36
	(c) Non Residents	161965	0.50
	(d) Others (IEPF, LLP, Clearing Members, HUF)	681824	2.11
	Total Public Shareholding (B) = B(1) + B(2)	15321876	47.22
	Total (A) + (B)	32450000	100

- n) 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 31.03.2020 is 32425763.
- o) Outstanding GDRs / Warrants or any convertible instruments Nil
- p) Registered Office 33 Nariman Bhavan, 227 Nariman Point, MUMBAI – 400021
- Works Plot No. 85/A, B, D & E, Phase 1, Road 'E', VAPI- 396195
- Address for correspondence 33 Nariman Bhavan, 227 Nariman Point, MUMBAI – 400021
- q) Top Ten Shareholders of the Company as on 31st March, 2020:

Sr. No.	Name of Shareholders	No. Of Shares	% of the total capital
1.	GIRDHARILAL MODI (HUF)	7582130	23.37
2.	RAJKUMAR MOHANLAL MODI	6747305	20.79
3.	PRAKASH CHANDRA MODI	4660509	14.36
4.	KUMAR JAY GIRDHARILAL MODI	1774000	5.47
5.	LALITADEVI MODI	1142000	3.52
6.	VIJAYKUMAR OMPRAKASH MODI	578000	1.78
7.	OMPRAKASH MODI	556000	1.71
8.	RAJEEV GOYAL	540500	1.67
9.	MODISON COPPER PRIVATE LIMITED	389491	1.20
10.	SATISH RAMESH MODY	324591	1.00

r) 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.

Also, the Company is exposed to Strategic Risk, Allocation of funds for CAPEX, Operational Risks, Regulatory and environmental non-compliances. The Company copes these risks by developing alternate plans, framing various policies, initiatives, guidelines, using automated systems.

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. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks.

s) 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.

t) Certification by CEO for compliance with Code of Conduct

A certificate from the Managing Director and the Chief Financial Officer on the financial statements and other matters of the Company as provided in Regulation 17(8) and Part B of Schedule II of the SEBI Listing Regulations for the financial year ended 31st March, 2020 was placed before the Board at its meeting held on 20th July 2020 and the same is also annexed to this Report.

The Company has established a Code of Conduct for its Board Members and Senior Management personnel. The Company has also formulated a Code on Prevention of Insider Trading.

The Code of Conduct for the Board Members and Senior Management personnel is available on the Company's website at: <http://www.modison.com/company-code-and-policies.html>

All the Board Members and Senior Management Personnel have complied with the Code of Conduct.

u) Disclosures With Respect To Demat Suspense Account/ Unclaimed Suspense Account

There are no shares lying in the demat suspense account or unclaimed suspense account of the Company and hence the details of the same are not provided.

Mr. G. L. MODI
Managing Director

Mr. RAJ KUMAR MODI
Jt. Managing Director

Place : Mumbai
Date : 20th July 2020

The above Corporate Governance Report has been adopted by the board of Directors at their meeting held on 20th July 2020.

Mr. G. L. MODI
Managing Director

Mr. RAJ KUMAR MODI
Jt. Managing Director

Place : Mumbai
Date : 20th July 2020

DECLARATION UNDER REGULATION 26(3)**READ WITH PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

It is hereby declared that all the Board Members and Senior Management Personnel of the Company have affirmed adherence to and compliance with the Code of Conduct for the year ended 31st March, 2020

For Modison Metals Limited

Mr. G. L. MODI
Managing Director

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 31 March 2020, as per the relevant provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of 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 the 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 and based on the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI 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 Kanu Doshi Associates LLP
Chartered Accountants

Firm Regn No.: 104746W/W100096

Kunal Vakharia
Partner
Membership No.:148916

Place : Mumbai
Date : 20th July 2020

CERTIFICATION

We, the undersigned of the Company hereby certify that

1. We have reviewed the financial statements and the cash flow statement of Modison Metals Limited for the year 31st March 2020 and that to the best of their knowledge and belief, we state that:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - These statements 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. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and 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:
 - No significant changes in internal control over financial reporting during the year;
 - The significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
 - No instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

G. L. Modi
Managing Director

Ramesh Kothari
Chief Financial Officer

Place: Mumbai
Date : 20th July 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
MODISON METALS LIMITED
33 Nariman Bhavan,
227, Nariman Point,
Mumbai- 400021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MODISON METALS LIMITED** having CIN L51900MH1983PLC029783 and having registered office at 33 Nariman Bhavan, 227, Nariman Point, Mumbai- 400021 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr.No	Name of Director	DIN	Date of Appointment
1	GIRDHARI LAL MODI	00027373	09/07/2015
2	SURESHCHANDRA PURUSHOTTAMDAS MODY	00027432	01/01/1997
3	RAJKUMAR MOHANLAL MODI	00027449	09/06/1998
4	KUMAR JAY MODI	00059396	01/04/2012
5	RAMAVTAR NATHMAL GOENKA	00140376	28/04/2008
6	RITA DILIP BHATIA	06973893	27/10/2014
7	ASHOK SHANTILAL JATIA	07209136	02/11/2015
8	RAKESH SHYAMVIR SINGH	07319353	02/11/2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 20th July 2020

FOR RAGINI CHOKSHI & CO
COMPANY SECRETARIES

MAKARAND PATWARDHAN
(PARTNER)
CP No: 9031, ACS: 11872

INDEPENDENT AUDITORS' REPORT

To the Members of MODISON METALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **MODISON METALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr No.	Key Audit Matter	Response to Key Audit Matter
1	Inventory Valuation As at March 31, 2020 the Company held Rs. 6056.78 Lakhs of inventory representing 31.75% of total	Principle Audit Procedures We have performed the

	<p>assets (out of which inventory amounting to Rs. 634.57 Lakhs is in transit). Given the size of the inventory balance relative to the total assets of the Company and the estimates and judgments described below, the valuation of inventory required significant audit attention.</p> <p>As disclosed in Note No. 2(F), inventories are held at the lower of cost or net realisable value determined by using the weighted average cost method except for inventories that are booked by customers for their process work which are valued at the rates at which the same is booked by them.</p> <p>Management undertake the following procedure for determining valuation of closing inventory:</p> <ul style="list-style-type: none"> • Use Inventory ageing report to check slow moving & non-moving inventory to evaluate write down, if any, required; • Perform a line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost or net realizable value and a specific write down is recognized, if required. • For valuing inventory work in progress the Company follows norm based on management's estimates and judgments. 	<p>following procedures over the valuation of inventory:-</p> <ul style="list-style-type: none"> <input type="checkbox"/> For sample inventory items, re-performed the weighted average cost calculation; <input type="checkbox"/> We tested that the ageing report used by management by verifying a sample of aged inventory with the last recorded invoice; <input type="checkbox"/> On a sample basis we tested the net realizable value of inventory of raw material lines with recent selling prices of finished goods wherein these raw materials are used; <input type="checkbox"/> Held discussions with management, to understand and corroborate the assumptions applied in estimating the inventory norms used for valuation of the inventory held as work in progress. <p>We also made enquiries with the management and considered the results of our testing above to determine whether any specific write downs were further required.</p> <p>From the procedures performed we have no matters to report.</p>
2	<p>Derivative Hedging of Commodity Price Risk</p> <p>The Company uses derivative financial instruments to hedge commodity price risks. These instruments are typically used to hedge prices of silver which is the main raw material used by the Company for production of its finished products. Due to estimates</p>	<p>Principle Audit Procedures</p> <p>We have performed the following procedures to verify the accounting of derivative financial</p>

	<p>and judgments involved in entering to derivative contract, it requires significant audit attention.</p> <p>Management undertakes the following procedure for accounting of derivative contract:</p> <ul style="list-style-type: none"> • Perform reconciliation of derivative financials instrument with third party confirmation • Checking of minimum margin money required to keep with third party. • Booking of hedging gain / loss on daily basis <p>(For the year ended March 31, 2020 the Company has net hedging loss of Rs.281.93 Lakhs and had net hedging profit of Rs.293.05 Lakhs for the year ended March 31, 2019 Shown under exceptional item.)</p>	<p>instruments.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Obtaining an understanding of the risk management policies and testing key controls for the use and the measurement of derivative financial instruments <input type="checkbox"/> Reconciling derivative financial instruments data to third party confirmations. <input type="checkbox"/> Reconciling hedging gain / loss with third party confirmations <p>Considering the appropriateness of disclosures in relation to derivative financial instruments.</p>
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Other Information

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

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those charged with Governance for the Standalone Financial Statements

The Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and

maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purposes of our audit of the aforesaid Standalone Financial Statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Financial Statements have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Standalone Financial Statements.
 - 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 (Account) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is

disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”
- 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 Standalone Financial Statements (Refer Note. 29(a) to the Ind As Standalone Financial Statements).
 - ii. The Company did not have any material foreseeable losses on long-term contracts including derivatives contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For Kanu Doshi Associates LLP
Chartered Accountants
FRN. No. 104746W/W100096

Kunal Vakharia
Partner
Membership no. 148916
UDIN:

Place: Mumbai
Date: 20th July 2020

ANNEXURE A TO THE AUDITOR'S REPORT

Referred to in paragraph 2 of '**Report on other Legal and Regulatory Requirements**' in our Report of even date on the accounts of **MODISON METALS LIMITED** for the year ended March 31, 2020

- 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 have been properly dealt with in the books of accounts.
- iii. As informed to us, the Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence sub clauses (a) to (c) of clause 3(iii) are not applicable to the Company.
- iv. The company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of investments made and Section 185 of the Companies Act, 2013 is not applicable as there were no such loans, securities or guarantees provided during the year.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause 3(v) is not applicable.
- 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 and records have been made and maintained by the Company. However, no detailed examinations of such records have been carried out by us.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Cess, Goods & Service Tax and any other material statutory dues applicable to it.

(b) According to the records of the Company, there are no dues of Income Tax, Sales Tax and Excise Duty which have not been deposited on account of any dispute except disclosed below:

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

Sr. No.	Name of the Statute	Nature of the dues	Forum where the dues is pending	Rs. In Lakhs
1.	Central Excise Act, 1944	Demand of Excise Duty on Sales	Customs, Excise & Service Tax Appellate Tribunal	937.41
2.	Income tax Act, 1961	Income tax (AY 17-18)	Commissioner of Income Tax (Appeals)	8.74
		Income tax (AY 16-17)	Commissioner of Income Tax (Appeals)	12.74
		Income tax (AY 14-15)	Tribunal	1.74
		Income tax (AY 10-11)	High Court	25.11
3.	Gujarat Value Added tax Act, 2003.	Sales Tax (FY 15-16)	Dy. Commissioner of State Tax 1 st Appeals	5.40

- viii. According to the records of the Company examined by us and information and explanation given to us, the Company has not defaulted in repayment of dues to banks during the year. The company has not taken any loan or borrowing from government, financial institution, and has not issued debentures during the year.
- ix. The Company has not raised any money by way of public issue/ further 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 explanation given by the management, we report that no fraud by the Company and 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 Section 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 the 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 Standalone 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 Kanu Doshi Associates LLP
Chartered Accountants
Firm registration No: 104746W/W100096

Kunal Vakharia
Partner
Membership No: 148916
UDIN:

Place: Mumbai
Date: 20th July 2020

ANNEXURE B TO THE AUDITORS' REPORT

(Referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 March 31, 2020 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 Board of Directors are 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 issued by the ICAI. 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 Standalone 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 Standalone 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 Standalone 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 Standalone 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, to the best of our information and according to the explanations given to us, 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 31st March, 2020, 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 ICAI.

For Kanu Doshi Associates LLP
Chartered Accountants
Firm registration No: 104746W/W100096

Kunal Vakharia
Partner
Membership No: 148916
UDIN:

Place: Mumbai
Date: 20th July 2020

(Rupees in Lakhs)

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
(1) Non - current assets			
(a) Property, Plant and Equipment	3	5,574.35	5,607.23
(b) Capital work - in - progress	4	289.03	91.16
(c) Investment Property	5	195.51	205.52
(d) Other Intangible Assets	6	12.63	16.63
(e) Financial assets			
(i) Investments	7	171.47	-
(ii) Other financial assets	8	82.60	82.60
(f) Other non current tax assets (Net)	9	25.83	27.24
(g) Other non - current assets	10	1,123.26	481.83
Total Non Current Assets		7,474.68	6,512.21
(2) Current Assets			
(a) Inventories	11	6,056.78	6,473.18
(b) Financial assets			
(i) Trade receivables	12	4,495.88	4,223.39
(ii) Cash and cash equivalents	13	116.38	9.14
(iii) Bank balances other than (ii) above	14	162.51	214.63
(iv) Other financial assets	15	30.20	31.93
(c) Other current assets	16	738.39	549.53
Total Current Assets		11,600.14	11,501.80
Total Assets		19,074.82	18,014.01
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	17	324.50	324.50
(b) Other Equity	18	14,359.42	13,437.30
Total Equity		14,683.92	13,761.80
LIABILITIES			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	2.80	40.24
(ii) Other financial liabilities	20	3.51	-
(b) Provisions	21	114.40	104.18
(c) Deferred tax liabilities (Net)	22	538.89	647.82
Total Non Current Liabilities		659.60	792.24
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	2,541.86	2,045.38
(ii) Trade payables	24	472.68	443.14
(iii) Other financial liabilities	25	91.18	55.51
(b) Other current liabilities	26	577.78	706.58
(c) Provisions	27	45.82	58.13
(d) Current tax liabilities (Net)	28	1.98	151.23
Total Current Liabilities		3,731.30	3,459.97
Total Liabilities		4,390.90	4,252.21
Total Equity & Liabilities		19,074.82	18,014.01

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

FOR KANU DOSHI ASSOCIATES LLP
CHARTERED ACCOUNTANTS

Firm's Registration Number: 104746W/W100096

FOR AND ON BEHALF OF THE BOARD
KUNAL VAKHARIA
PARTNER
MEMBERSHIP NO. 148916
G.L. MODI
DIRECTOR
DIN: 00027373
RAJ KUMAR MODI
DIRECTOR
DIN: 00027449
PLACE : MUMBAI
DATED : 20th July 2020
RAMESH KOTHARI
CHIEF FINANCIAL OFFICER
MANIKA ARORA
COMPANY SECRETARY

(Rupees in Lakhs)

STANDALONE STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operation	30	21,926.26	22,028.44
Other income	31	291.12	70.37
Total Income		22,217.38	22,098.81
<u>Expenses:</u>			
Cost of material consumed	32	14,531.90	16,706.87
Purchases of Stock - in - Trade	33	-	43.20
Changes in inventories of Finished goods, work - in -progress and Stock - in - trade	34	650.10	(1,421.38)
Employee benefit expenses	35	1,639.72	1,386.91
Finance Cost	36	198.47	220.39
Depreciation & amortization expenses	37	617.94	636.47
Other Expenses	38	2,411.83	2,374.01
Total Expenses		20,049.96	19,946.47
Profit before exceptional items & tax		2,167.42	2,152.34
Exceptional Items Income/(Expense)	39	(281.93)	293.05
Profit before tax		1,885.49	2,445.39
Less: Tax expenses			
(1) Current tax			
of Current years		525.00	794.70
of Earlier years		(42.25)	9.46
(2) Deferred tax		(108.54)	(26.90)
Total Income Tax Expense		374.21	777.26
Profit after tax		1,511.28	1,668.13
Other Comprehensive Income			
A. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
B. (i) Items that will not be reclassified to profit or loss		(2.76)	(12.79)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.40	-
Total Other Comprehensive Income for the year		(2.36)	(12.79)
Total Comprehensive Income for the year		1,508.92	1,655.34
Earning per equity share (Face Value of Rs. 1/- each)	40		
(1) Basic		4.66	5.14
(2) Diluted		4.66	5.14

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

FOR KANU DOSHI ASSOCIATES LLP
CHARTERED ACCOUNTANTS

Firm's Registration Number: 104746W/W100096

FOR AND ON BEHALF OF THE BOARD
KUNAL VAKHARIA
PARTNER
MEMBERSHIP NO. 148916
G.L. MODI
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DIN: 00027373
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DIRECTOR
DIN: 00027449
PLACE : MUMBAI
DATED : 20th July 2020
RAMESH KOTHARI
CHIEF FINANCIAL OFFICER
MANIKA ARORA
COMPANY SECRETARY

STANDALONE STATEMENT OF CHANGES IN EQUITY
for the Year ended 31 March 2020

(Rupees in Lakhs)

a. Equity

Particulars	No of Shares	Amount
Balance at at 31st March, 2018	3,24,50,000	324.50
Changes in equity share capital during the year	-	-
Balance at at 31st March, 2019	3,24,50,000	324.50
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2020	3,24,50,000	324.50

b. Other Equity

Particulars	Reserve and Surplus			Other items of Other comprehensive income			Total Other Equity
	Capital Reserve	General Reserve	Retained Earning	Remeasurement of net defined benefit plans	Fair valuation of CCD	Revaluation Reserve	
Balance as at March 31, 2018	190.88	1,114.72	11,055.34	(28.18)		36.00	12,368.76
Profit for the period	-	-	1,668.13	(12.79)	-		1,655.34
Disposal of revalued assets	-	-	0.13	-		(0.13)	-
Remeasurements of Defined Benefit Plan	-	-	-			-	-
Final Dividend paid	-	-	(162.25)	-		-	(162.25)
Interim Dividend paid	-	-	(324.50)	-		-	(324.50)
Dividend Distribution tax paid	-	-	(100.05)	-		-	(100.05)
Balance as at March 31, 2019	190.88	1,114.72	12,136.80	(40.97)		35.87	13,437.30
Profit for the period	-	-	1,511.28	0.75			1,512.03
Fair value adjustment of Debentures on conversion of Equity shares			-		(3.11)		(3.11)
Disposal of revalued assets	-	-	1.62	-		(1.62)	-
Remeasurements of Defined Benefit Plan	-	-	-	-		-	-
Final Dividend paid	-	-	(162.25)	-		-	(162.25)
Interim Dividend paid	-	-	(324.50)	-		-	(324.50)
Dividend Distribution tax paid	-	-	(100.05)	-		-	(100.05)
Balance as at March 31, 2020	190.88	1,114.72	13,062.90	(40.22)	(3.11)	34.25	14,359.42

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
FOR KANU DOSHI ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm's Registration Number: 104746W/W100096

FOR AND ON BEHALF OF THE BOARD

KUNAL VAKHARIA
PARTNER
MEMBERSHIP NO. 148916

G.L. MODI
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RAJ KUMAR MODI
DIRECTOR
DIN: 00027449

PLACE : MUMBAI
DATED : 20th July 2020

RAMESH KOTHARI
CHIEF FINANCIAL OFFICER

MANIKA ARORA
COMPANY SECRETARY

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020
(Rupees in Lakhs)

	2019-20	2018-19
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Extraordinary Items	1,885.49	2,445.39
Adjustment for:		
Depreciation /Amortisation	617.94	636.47
Interest Income	(20.67)	(22.53)
Reclassification of remeasurement of employee benefits	0.75	(12.79)
Interest Expenses	180.00	201.64
Allowance for Bad Debts	26.75	10.35
(Profit)/Loss on Sale of Assets/Discarded Assets (Net)	(5.00)	12.81
Profit on Sale of Investment	-	0.03
Sundry balance written back (Net)	(7.20)	(5.96)
Exchange Rate Fluctuation (Net)	61.09	(32.66)
	<u>853.66</u>	<u>787.36</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,739.15	3,232.75
ADJUSTMENTS FOR WORKING CAPITAL CHANGES :		
Other non - current assets	(1.72)	(8.02)
Inventories	416.40	(1,768.04)
Trade Receivable	(353.13)	(5.97)
Other Non Current financial assets	(0.00)	0.28
Other financial assets	5.36	0.87
Other current assets	(188.86)	(290.15)
Other non current financial liabilities	3.51	(8.89)
Trade payables	29.54	(107.56)
Other current financial liabilities	37.35	(0.99)
Other current liabilities	(128.80)	83.55
Provisions	(2.09)	20.93
	<u>(182.44)</u>	<u>(2,083.99)</u>
Cash Generated from Operations	2,556.71	1,148.76
Direct Taxes paid	(630.59)	(766.87)
NET CASH FROM OPERATING ACTIVITIES	1,926.12	381.89
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant and Equipment including Capital Work in Progress	(1,439.34)	(465.83)
Purchase of Investment	(174.98)	14.89
Investment in Bank Deposit	52.12	(62.70)
Sale of Property Plant and Equipment	35.72	40.31
Interest Received	17.05	28.07
	<u>(1,509.43)</u>	<u>(445.26)</u>
NET CASH USED IN INVESTING ACTIVITY	(1,509.43)	(445.26)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net (Decrease)/ Increase in Borrowings	455.88	793.18
Interest Paid	(180.22)	(201.47)
Dividend Paid (Inclusive of Dividend Distribution Tax)	(585.11)	(586.26)
	<u>(309.45)</u>	<u>5.45</u>
NET CASH USED IN FINANCING ACTIVITY	(309.45)	5.45
NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	107.24	(57.92)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	9.14	67.06
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	116.38	9.14
	<u>107.24</u>	<u>(57.92)</u>

Notes
Closing Balance of Cash & Cash Equivalents

1 Cash and Cash Equivalents Includes: (Refer Note No 14)

CASH IN HAND
BALANCE WITH SCHEDULED BANKS

- In Current Account

	2.77	2.49
	113.61	6.65
	<u>116.38</u>	<u>9.14</u>

2 Interest received excludes interest received for overdue payments from customers of Rs.7.19 Lakhs (Previous Year Rs.15.68 Lakhs), 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 attached of even date

FOR KANU DOSHI ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm's Registration Number: 104746W/W100096
FOR AND ON BEHALF OF BOARD OF DIRECTORS
KUNAL VAKHARIA
PARTNER
MEMBERSHIP NO. 148916
G.L. MODI
DIRECTOR
DIN: 00027373
RAJ KUMAR MODI
DIRECTOR
DIN: 00027449
PLACE : MUMBAI
DATED : 20th July 2020
RAMESH KOTHARI
CHIEF FINANCIAL OFFICER
MANIKA ARORA
COMPANY SECRETARY

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

1 CORPORATE INFORMATION

Modison Metals Limited (herein referred to as "MML" or "the company") is public limited company incorporated and domiciled in India. The address of its registered office is 33, Nariman Bhavan, 227, Nariman Point, Mumbai-400021, Maharashtra, India. The Company is a leading manufacturer of Electrical contacts in all the three segments, LV, MV & HV. The equity shares of the Company are listed on BSE Limited ("BSE"). The financial statements are presented in Indian Rupee (₹).

2 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(A) Basis Of Preparation Of Financial Statement**i) Compliance with Ind AS**

The financial statements Complies in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements were authorized for issue by the Company's Board of Directors on 20th July, 2020.

These financial statements are presented in Indian Rupees (INR), which is also the functional currency. All the amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

ii) Historical cost convention

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. The financial statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

(a) Certain financial assets and liabilities (Including Derivative Instruments) that are measured at fair value;

(b) Defined benefit plans where plan assets are measured at fair value.

iii) Current and Non Current Classification.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

(B) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

(C) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(I) Financial Assets**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

(a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and

(b) those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(a) For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(b) For investments in debt instruments, this will depend on the business model in which the investment is held.

(c) For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or other expenses (as applicable). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income or other expenses, as applicable.

(b) Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has selected to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses, as applicable in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(c) Fair Value Hedge

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognised in statement of profit and loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime credit losses (ECL) to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(iv) Derecognition of financial assets

A financial asset is derecognised only when -

(a) The Company has transferred the rights to receive cash flows from the financial asset or

(b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(II) Financial Liabilities

(i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

(ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(D) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortization, where appropriate.

(E) 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.

(F) Inventories Valuation

(i) 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.

(ii) Cost of raw material has been ascertained on weighted average cost basis. Cost of finished goods and work-in-progress comprises, raw materials, direct labour, other direct costs and related production overheads.

(iii) Cost of other inventories has been ascertained on First-In-First-Out method (FIFO).

(iv) 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.

(G) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within current liabilities in statement of financial balance sheet and which are considered as integral part of company's cash management policy.

(H) Income tax, deferred tax and dividend distribution tax

The Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the profit and loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

(i) Current income tax

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(iii) Dividend distribution tax

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity.

(I) Property, plant and equipment

On transition to Ind AS, The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and used those carrying value as the deemed cost of the property, plant and equipment.

(i) Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(iii) Cost of Capital Work in Progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment outstanding as of each balance sheet date and construction expenditures, other expenditures necessary for the purpose of preparing the CWIP for its intended use and borrowing cost incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

(iv) Depreciation methods, estimated useful lives and residual value:

(a) Fixed assets are stated at cost less accumulated depreciation.

(b) 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

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

(c) 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.

(d) No amortisation is provided in accounts in respect of Leasehold Land.

(e) Tangible assets which are not ready for their intended use on reporting date are carried as capital work-in-progress.

(f) The residual values are not more than 5% of the original cost of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income as applicable.

(J) Investment Property

Property that is held for rental or Capital appreciation and which is not occupied by the Company, is classified by Investing property. Investment property is measured at cost including related transaction cost and where applicable borrowing cost. Investment properties are depreciated at the same rate applicable for class of asset under Property, Plant and Equipment.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(K) Intangible assets

On transition to Ind AS, The Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and used those carrying value as the deemed cost of the intangible assets.

(i) An intangible asset shall be recognised if, and only if: (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and (b) the cost of the asset can be measured reliably.

(ii) Cost of technical know-how is amortised over a period of 10 years.

(iii) Computer software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. The same is amortised over a period of 5 years on straight-line method.

(L) Leases

(i) As a lessee

AS 116 - Lease Accounting

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognizes right of use assets and lease liabilities for most leases i.e. these leases are on balance sheet.

On transition, the Company has applied following practical expedients:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date.
- Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition.
- Excluded the initial direct costs from the measurement of the right-of -use-asset at the date of transition.
- Grandfathered the assessment of which transactions are, or contain leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- Relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

(ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(M) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discount, taxes and amounts collected on behalf of third parties. The Company recognises revenue as under:

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). There are no material impact on revenue recognition by applying this standard.

(1) Sales**(i) The Company recognizes revenue from sale of goods when:**

- (a) The significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides with the delivery of goods.
- (b) The Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold.
- (c) The amount of revenue can be reliably measured.
- (d) It is probable that future economic benefits associated with the transaction will flow to the Company.
- (e) The cost incurred or to be incurred in respect of the transaction can be measured reliably.
- (f) The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(ii) The Company recognizes revenue from sale of services when:

- (a) The amount of revenue can be measured reliably.
- (b) It is probable that future economic benefits associated with the transaction will flow to the Company.

(c) The stage of completion of the transaction at the end of the reporting period can be measured reliably.

(d) The cost incurred for transaction and the cost to complete the transaction can be measured reliably.

(2) Other Income

(i) Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(ii) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

(iii) Export Benefits

Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

(N) Employee Benefit

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The group operates the following post-employment schemes:

(a) Defined benefit gratuity plan:

Gratuity and Leave encashment which are defined benefits are accrued based on actuarial valuation working provided by Life Insurance Corporation of India (LIC) . The Company has opted for a Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India (LIC), and the contribution is charged to the Statement of Profit & Loss each year. The Company has funded the liability on account of leave benefits through LIC's Group Leave Encashment Assurance Scheme and the Contribution is charged to Statement of Profit and Loss. In case of non member of the gratuity fund, the same is provided as per the approval of central Government and/or as per payment of the Gratuity Act, 1972.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan. The defined benefit obligation is calculated annually as provided by LIC. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(b) Defined benefit provident fund plan:

Contribution payable to recognised provident fund which is defined contribution scheme is charged to Statement of Profit & Loss. The company has no further obligation to the plan beyond its contribution.

(O) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. All the foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other expenses or other income as applicable.

(P) Borrowing Cost

(i) Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(ii) Borrowings are classified as current financial liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(Q) Earnings per share**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company; and
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

ii) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(R) Impairment of Assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(S) Provisions, contingent liabilities and contingent assets**(i) Provisions:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

(ii) Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

(iii) Contingent Assets: Contingent Assets are disclosed, where an inflow of economic benefits is probable.

(T) Investments

On transition to Ind AS, equity investments are measured at fair value, with value changes recognised in Other Comprehensive Income, except for mutual fund which is fair value through Statement of Profit and Loss.

Investment in subsidiaries which are of equity in nature carried at cost in the separate financial statements.

(U) Trade receivables

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(V) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

(W) 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.

(X) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees Lakhs (upto two decimals), unless otherwise stated as per the requirement of Schedule III (Division II).

(Rupees in Lakhs)

NOTE NO 3
PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/IMPAIRMENT LOSSES					NET CARRYING AMOUNT
	AS AT 01.04.2019	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2020	UP TO 01.04.2019	DEP. FOR THE YEAR	IMPAIRMENT LOSSES	DEDUCTION DURING THE YEAR	AS AT 31.03.2020	AS AT 31.03.2020
Leasehold Land	94.46	-	-	94.46	-	-	-	-	-	94.46
Buildings	1,006.18	79.06	-	1,085.24	160.23	49.95	-	-	210.18	875.06
Buildings (SF6, Plot No. 85 B and Plot No. 85 D&E)	494.67	-	-	494.67	64.90	23.06	-	-	87.96	406.71
Plant & Machinery	2,967.59	228.05	44.75	3,150.89	955.89	289.23	-	23.82	1,221.30	1,929.59
Plant & Machinery (SF6)	2,508.22	223.52	23.51	2,708.23	479.40	169.78	-	14.84	634.34	2,073.89
Furniture & Fixtures	34.99	13.77	-	48.76	17.72	4.57	-	-	22.29	26.47
Vehicles	252.30	36.04	8.81	279.53	94.66	54.09	-	7.69	141.06	138.47
Office Equipments	55.63	20.35	-	75.98	34.01	12.27	-	-	46.28	29.70
Total Property, Plant and Equipment	7,414.04	600.79	77.07	7,937.76	1,806.81	602.95	-	46.35	2,363.41	5,574.35

NOTE NO 3
PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/IMPAIRMENT LOSSES					NET CARRYING AMOUNT
	AS AT 01.04.2018	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2019	UP TO 01.04.2018	DEP. FOR THE YEAR	IMPAIRMENT LOSSES	DEDUCTION DURING THE YEAR	AS AT 31.03.2019	AS AT 31.03.2019
Leasehold Land	94.46	-	-	94.46	-	-	-	-	-	94.46
Buildings	1,000.59	5.59	-	1,006.18	109.25	50.98	-	-	160.23	845.95
Buildings (SF6, Plot No. 85 B and Plot No. 85 D&E)	453.46	41.21	-	494.67	42.37	22.53	-	-	64.90	429.77
Plant & Machinery	2,844.13	155.55	32.09	2,967.59	653.66	312.67	-	10.44	955.89	2,011.70
Plant & Machinery (SF6)	2,250.76	287.41	29.95	2,508.22	329.26	157.93	-	7.79	479.40	2,028.82
Furniture & Fixtures	33.60	1.39	-	34.99	12.94	4.78	-	-	17.72	17.27
Vehicles	238.46	36.67	22.83	252.30	47.30	61.09	-	13.73	94.66	157.64
Office Equipments	46.51	9.69	0.57	55.63	24.15	10.22	-	0.36	34.01	21.62
Total Property, Plant and Equipment	6,961.97	537.51	85.44	7,414.04	1,218.93	620.20	-	32.32	1,806.81	5,607.23

(Rupees in Lakhs)

NOTE NO 4
CAPITAL WORK-IN-PROGRESS

PARTICULARS	AS AT 01.04.2019	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2020
Capital Work- in- Progress (Refer Note No 4.1)	91.16	197.87	-	289.03
Previous Year	75.10	16.06		91.16

Note No 4.1: Capital work-in-progress mainly comprises for Building & Plant & Machinery.

NOTE NO 5
INVESTMENT PROPERTY

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/IMPAIRMENT LOSSES				NET CARRYING AMOUNT	
	AS AT 01.04.2019	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2020	UP TO 01.04.2019	DEP. FOR THE YEAR	IMPAIRMENT LOSSES	DEDUCTION DURING THE YEAR	AS AT 31.03.2020	AS AT 31.03.2020
Residential Flats	227.10	-	-	227.10	21.58	10.01	-	-	31.59	195.51
Total Investment Property	227.10	-	-	227.10	21.58	10.01	-	-	31.59	195.51

INVESTMENT PROPERTY

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/IMPAIRMENT LOSSES				NET CARRYING AMOUNT	
	AS AT 01.04.2018	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2019	UP TO 01.04.2018	DEP. FOR THE YEAR	IMPAIRMENT LOSSES	DEDUCTION DURING THE YEAR	AS AT 31.03.2019	AS AT 31.03.2019
Residential Flats	227.10	-	-	227.10	11.06	10.52	-	-	21.58	205.52
Total Investment Property	227.10	-	-	227.10	11.06	10.52	-	-	21.58	205.52

Amount recognised in profit or loss for Investment Properties

Particulars	March 31 st , 2020	March 31 st , 2019
Rental Income	13.65	14.30
Direct expenses related to property	7.65	4.85
There are no restrictions on the realisability of investment property.		
The company is using same life for the same class of asset as applicable for property plant and equipment.		
<u>Fair Value</u>		
The Company has not taken third party independent valuation for the property.		
The estimated fair value is Approx. Rs. 407.26 Lakhs based on the ready reckoner rates.		

NOTE NO 6
OTHER INTANGIBLE ASSETS

(Rupees in Lakhs)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/IMPAIRMENT LOSSES					NET CARRYING AMOUNT
	AS AT 01.04.2019	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2020	UP TO 01.04.2019	DEP. FOR THE YEAR	IMPAIRMENT LOSSES	DEDUCTION DURING THE YEAR	AS AT 31.03.2020	AS AT 31.03.2020
Computer Software/Website	46.70	0.98	-	47.68	30.07	4.98	-	-	35.05	12.63
Total Other Intangible Assets	46.70	0.98	-	47.68	30.07	4.98	-	-	35.05	12.63

OTHER INTANGIBLE ASSETS

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/IMPAIRMENT LOSSES					NET CARRYING AMOUNT
	AS AT 01.04.2018	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2019	UP TO 01.04.2018	DEP. FOR THE YEAR	IMPAIRMENT LOSSES	DEDUCTION DURING THE YEAR	AS AT 31.03.2019	AS AT 31.03.2019
Computer Software/Website	36.99	9.71	-	46.70	24.32	5.75	-	-	30.07	16.63
Total Other Intangible Assets	36.99	9.71	-	46.70	24.32	5.75	-	-	30.07	16.63

(Rupees in Lakhs)

7 NON CURRENT INVESTMENTS

Particulars	As at March 31, 2020	As at March 31, 2019
<u>Unquoted</u>		
In Equity Instruments		
Investment in wholly owned Subsidiary Company (At cost)		
Modison Contact Pvt. Ltd (Quantity as at 31st March 2020: 8,000)	24.98	-
In Debenture		
Windstream Energy (Ccd'S) Investment Account (AT FVOCI) (Refer Note 7.1) (Quantity as at 31st March 2020: 30,000)	146.49	-
	171.47	-
Total of Long Term Investments	171.47	-
Less : Provision for Diminution in the value of Investment	-	-
Net Value of Investment	171.47	-

Note 7.1:

Date of Issuance: 24th July 2019

Each Compulsory Convertible Debentures (CCD) will have a Face value of Rs 500 each.

Interest shall be payable @ 0.1% p.a

Each CCD shall be converted in the ratio of 7:1 equity shares of the Company at the end of five years from the date of issuance.

8 OTHER NON CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, Considered Good, unless specified otherwise)		
Deposits	82.60	82.60
	82.60	82.60

9 OTHER NON CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Tax and Tax Deducted at Source (Net of Provision for Taxation)	25.83	27.24
	25.83	27.24

10 OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, Considered Good, unless specified otherwise)		
Capital Advances	1,112.03	472.32
Advance recoverable in cash or kind or for value to be received	11.23	9.51
	1,123.26	481.83

11 INVENTORIES

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Material (Refer Note No 11.1)	1,238.50	998.57
Work-in-progress (Refer Note No 11.2)	4,587.31	5,078.46
Finished Goods	94.29	195.53
Stores & Spares	4.81	11.29
<u>Others</u>		
Packing Material	6.58	6.33
Scrap	125.29	183.00
	6,056.78	6,473.18

Note No 11.1: Raw Material includes Stock -in transit Rs. 634.57 Lakhs (31st March 2019 Rs. 380.73 Lakhs)

Note No 11.2: 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 IND AS 2, on "Inventories". However the impact on the profit is not material.

12 TRADE RECEIVABLES

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, unless specified otherwise)		
Considered good	4,495.88	4,223.39
Considered Doubtful	46.93	20.18
Less : Allowance for Expected Credit Loss (Refer Note No 12.1)	(46.93)	(20.18)
	4,495.88	4,223.39

Note No 12.1: Movement in the allowance of doubtful receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	20.18	9.83
Add/ (Less): Amounts written off during the year (net)	26.75	10.35
Balance at end of the year	46.93	20.18

The average credit period is around 60 days for Sales depending upon Terms of the Purchase Orders. Normally no interest is charged on trade receivables. The Company is providing for expected credit loss based on past trends of receivable.

13 CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2020	As at March 31, 2019
<u>Balance With Banks</u>		
- In Current Account	113.61	6.65
Cash on Hand	2.77	2.49
	116.38	9.14

14 BANK BALANCES

Particulars	As at March 31, 2020	As at March 31, 2019
Unpaid Dividend Account (Refer Note No 14.1)	5.82	4.12
Margin Money Account (Refer Note No 14.2)	156.69	210.51
	162.51	214.63

Note No 14.1: The company can utilise balances only towards settlement of the unpaid dividend.

Note No 14.2: Margin money deposits amounting to Rs. 81.69 Lakhs (31st March 2019 Rs. 82.26 Lakhs) are lying with bank against Bank Guarantees, Buyers Credit and Letter of Credit & Rs. 75.00 Lakhs (31st March 2019 Rs. 128.25 Lakhs) is lying with Reliance Commodities Limited towards margin for forward commodity contract (Hedging).

15 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	3.60	5.48
Advances to Staff	5.91	7.27
Interest Receivable	14.93	11.30
Other Receivable	5.76	7.88
	30.20	31.93

16 OTHER CURRENT ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with Government Authorities	43.87	45.41
Advance to supplier	180.62	197.88
Advance recoverable in cash or kind or for value to be received	497.90	261.45
Duty Drawback Receivable	16.00	44.79
	738.39	549.53

(Rupees in Lakhs)

17 EQUITY SHARE CAPITAL & OTHER EQUITY

Particulars	As at March 31, 2020	As at March 31, 2019
Authorized Share Capital		
10,00,00,000 Equity shares, Re. 1/- par value (31st March 2019: 10,00,00,000 equity shares Re. 1/- each)	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, Subscribed and Fully Paid Up Shares		
3,24,50,000 Equity Shares, Re. 1/- par share (31st March 2019: 3,24,50,000 equity shares Re. 1/- each)	324.50	324.50
Total Issued, Subscribed and Fully Paid Up Share Capital	324.50	324.50

Note No 17.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31st March 2020 :

Particulars	March 31, 2020		March 31, 2019	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
Number of shares at the beginning	3,24,50,000	324.50	3,24,50,000	324.50
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back	-	-	-	-
Number of shares at the end	3,24,50,000	324.50	3,24,50,000	324.50

Note No 17.2: 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.

(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 17.3: The details of shareholders holding more than 5% shares in the company :

Name of the shareholders	March 31, 2020		March 31, 2019	
	No. of shares held	% held as at March 31, 2020	No. of shares held	% held as at March 31, 2019
G.L. Modi HUF	75,82,130	23.37%	75,82,130	23.37%
Mr. Rajkumar Modi	67,47,305	20.79%	67,47,305	20.65%
Mr. Kumar Jay Modi	17,74,000	5.47%	17,74,000	5.47%
Mr. Prakashchandra Modi	46,60,509	14.36%	46,60,509	14.36%

Note No 17.4: The details of Interim/final Dividend paid per share is as under- (In Rupees)

Year	Interim Dividend paid per share	Proposed Final Dividend per share
2019-20	1.00	-
2018-19	1.00	0.50

18 OTHER EQUITY

Particulars	As at March 31, 2020	As at March 31, 2019
* Reserve & Surplus		
# Capital Reserve	190.88	190.88
## General Reserve	1,114.72	1,114.72
Retained Earnings	13,062.90	12,136.80
Other Comprehensive Income (OCI)		
-Remeasurement of net defined benefit plans	(40.22)	(40.97)
-Fair valuation of CCD	(3.11)	-
- Revaluation Reserve ###	34.25	35.87
	14,359.42	13,437.30

* For movement, refer statement of changes in equity.

Capital reserve mainly represents amount on capital nature account.

General reserve reflects amount transferred from statement of profit and loss in accordance with regulations of the Companies Act, 2013.

Revaluation reserve represent revaluation done of certain property plant & equipment in earlier years.

(Rupees in Lakhs)

19 BORROWINGS

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loan		
Term Loans		
From Bank		
Vehicle Loans (Refer Note No 19.1)	2.80	40.24
	2.80	40.24

Note No 19.1: Terms of Repayment, Nature of Securities in respect of Term Loans

Vehicle loan taken from HDFC Bank Ltd & ICICI Bank Limited carried interest @ range between 8.35% to 10.49% and is repayable in range between 36 to 37 monthly installment. The loan is secured by hypothecation of Vehicle.

20 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits	3.51	-
	3.51	-

21 PROVISIONS

Particulars	As at March 31, 2020	As at March 31, 2019
Provisions for Employee Benefits		
For Gratuity	114.40	104.18
	114.40	104.18

22 DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities		
Difference between depreciation as per books and as per Income- tax Act, 1961	588.98	693.03
	588.98	693.03
Less: Deferred tax assets		
Expenses allowable on payment basis	37.88	39.33
Allowance for Bad & Doubtful Debts	11.81	5.88
Fair value of CCD	0.40	
	50.09	45.21
Deferred tax liabilities (Net)	538.89	647.82
	538.89	647.82

Note No 22.1:

Particulars	Net balance as at 1st April, 2019	Recognised in statement of profit and loss	Recognised in OCI	Net balance as at 31st March, 2020
Deferred tax Liabilities/(Assets)				
Property, plant and equipment/Other Intangible Assets	693.03	(104.05)	-	588.98
Expenses allowable under income tax on payment basis	(39.33)	1.45	-	(37.88)
Fair value of CCD	-	-	(0.40)	(0.40)
Allowance for Expected Credit Loss	(5.88)	(5.93)		(11.81)
	647.82	(108.53)	(0.40)	538.89
Particulars	Net balance as at 1st April, 2018	Recognised in statement of profit and loss	Recognised in OCI	Net balance as at 31st March, 2019
Deferred tax Liabilities/(Assets)				
Property, plant and equipment/Other Intangible Assets	713.41	(20.37)	-	693.03
Expenses allowable under income tax on payment basis	(35.81)	(3.52)	-	(39.33)
Allowance for Expected Credit Loss	(2.86)	(3.02)	-	(5.88)
	674.74	(26.90)	-	647.82

Income tax

The major components of income tax expense for the year ended 31 March, 2020

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current tax – including earlier years: (-) Rs. 42.25 Lakhs (31 March 2019: Rs. 9.46 Lakhs)	482.75	804.16
Deferred Tax	(108.54)	(26.90)
	374.21	777.26

Reconciliation of tax expenses and accounting profit multiplied by domestic tax rate

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit before income tax expenses	1,885.49	2,445.39
Tax at the Indian tax rate @ 25.168% (31 March 2019, 29.12 %)	474.54	712.11
Add: Item giving rise to difference in tax		
Permanent difference of income as per books vs income as per income tax	17.39	14.47
Earlier year adjustment	(42.25)	9.46
Interest provision u/s 234B & 234C	-	42.20
Changes in tax rate	(77.21)	
Others	1.74	(0.97)
	374.21	777.26

23 BORROWINGS

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loan (Refer Note No 23.1)		
<u>From Bank</u>		
Working Capital Loan	2,474.35	2,045.38
Export Packing Credit in Foreign Currency	67.51	-
	2,541.86	2,045.38

Note No 23.1: Secured by Hypothecation of stocks & book debts and further secured by collateral security of all movable and immovable factory properties including Land & Building.

24 TRADE PAYABLES

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Dues of micro and small enterprises (Refer Note No 24.1)	7.49	3.86
Dues other than micro and small enterprises (Refer Note No 24.1)	465.19	439.28
	472.68	443.14

Note No 24.1: The company has received information from some vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. The payments were made within due dates and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act, have not been given.

25 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long term borrowings	37.45	40.61
Interest Accrued but not due	0.21	0.43
Unpaid Dividends	5.82	4.12
Sundry Creditors For Capital Goods	46.55	9.60
Deposits	0.75	0.75
Other Payables	0.40	-
	91.18	55.51

(Rupees in Lakhs)

26 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2020	As at March 31, 2019
Advances From Customers	510.96	473.38
Statutory Dues Payable	65.96	233.20
Others	0.86	-
	577.78	706.58

27 PROVISIONS

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
For Gratuity (Refer Note No 44)	10.44	24.10
For Leave Salary (Refer Note No 44)	35.38	34.03
	45.82	58.13

28 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for taxation (Net of tax payment)	1.98	151.23
	1.98	151.23

29 a) CONTINGENT LIABILITIES: #

Particulars	As at March 31, 2020	As at March 31, 2019
Disputed Income Tax Liabilities	64.33	50.86
Disputed Sales Tax Liabilities	37.53	33.18
Disputed Central Excise & Service Tax Liabilities	937.41	952.81
Bond issued under Advance License/Export Promotion Capital Goods Scheme	196.49	-
	1,235.76	1,036.85

b) COMMITMENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amounts of Contracts remaining to be executed on Capital account and not provided for (Net of Advances)	873.19	445.44
	873.19	445.44

The management does not expect these demands/claims to succeed. Claims, where the possibility of outflow of resources embodying economic benefits is remote, have not been considered in contingent liability.

(Rupees in Lakhs)

30 REVENUE FROM OPERATION

Particulars	March 31, 2020	March 31, 2019
Sales of Product	21,773.03	21,796.38
Sale of Services	2.31	5.97
Other Operating Revenue		
Export incentive received	150.92	226.09
	21,926.26	22,028.44

31 OTHER INCOME

Particulars	March 31, 2020	March 31, 2019
Interest Income (Refer Note No 31.1)	24.05	29.80
Rent Received	13.65	14.30
Other Non Operating Income		
Net Foreign Exchange Gain (Net)	165.61	-
Profit on Sale of Fixed Assets (Net)	5.00	-
Miscellaneous Income	82.81	26.24
Profit on sale of investment	-	0.03
	291.12	70.37

Note No. 31.1 : Break-up of Interest Income

Interest income on deposits with banks	17.63	9.40
Interest income on deposits with others	2.45	9.93
Interest income on Income tax refund	0.60	3.20
Interest income from customers	3.37	7.27
	24.05	29.80

32 COST OF RAW MATERIALS CONSUMED

Particulars	March 31, 2020	March 31, 2019
Inventory at the beginning of the year	617.84	655.97
Add : Purchases of Raw Material	15,504.76	16,843.27
	16,122.60	17,499.24
Less : Sale of Raw Material	352.20	174.53
Less : Inventory at the end of the year	1,238.50	617.84
Consumption of Raw Material	14,531.90	16,706.87

33 PURCHASES OF STOCK IN TRADE

Particulars	March 31, 2020	March 31, 2019
Traded goods	-	43.20
	-	43.20

34 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

Particulars	March 31, 2020	March 31, 2019
Inventories at the end of the year		
Finished Goods	94.29	195.53
Work In Progress	4,587.31	5,078.46
Scrap	125.29	183.00
	4,806.89	5,456.99
Inventories at the beginning of the year		
Finished Goods	195.53	90.18
Work In Progress	5,078.46	3,878.00
Scrap	183.00	67.43
	5,456.99	4,035.61
	650.10	(1,421.38)

(Rupees in Lakhs)

35 EMPLOYEE BENEFIT EXPENSES

Particulars	March 31, 2020	March 31, 2019
Salaries & Wages	1,531.05	1,288.75
Contribution to Provident & Other Funds	65.06	56.58
Staff Welfare Expenses	43.61	41.58
	1,639.72	1,386.91

36 FINANCE COST

Particulars	March 31, 2020	March 31, 2019
Interest Expense (Refer Not No 36.1)	180.00	201.64
Unwinding of interest on security deposits	0.15	0.42
Other Borrowing Cost		
Bank Finance Cost	18.32	18.33
	198.47	220.39
Note No. 36.1 : Break-up of Interest Expense		
Interest expense on bank borrowings	174.91	193.19
Interest expense on vehicle loan	5.09	8.45
	180.00	201.64

37 DEPRECIATION & AMORTIZATION EXPENSES

Particulars	March 31, 2020	March 31, 2019
Depreciation on Property, Plant and Equipment	602.95	620.20
Depreciation on Investment Property	10.01	10.52
Amortisation on Intangible Assets	4.98	5.75
	617.94	636.47

38 OTHER EXPENSES

Particulars	March 31, 2020	March 31, 2019
Consumption of stores and spare parts	366.32	352.44
Consumable of tools & dies	195.48	183.76
Packing Expenses	35.47	37.08
Power & fuel	479.34	492.33
Processing & Labour Charges	434.98	417.70
Rent	6.16	6.53
Repairs to Buildings	8.59	8.06
Repairs to Machinery	74.73	62.18
Repairs to Others	26.03	21.17
Security Expenses	34.30	38.85
Freight Outward Export	41.60	49.68
Insurance	18.89	14.79
Rates and taxes	9.90	9.41
Advertisement & Sales Promotion	28.30	26.74
Bank Charges	19.79	17.71
Commission on Sales	23.25	28.82
Cost Audit Fees	0.50	0.50
Electricity Expenses	2.37	2.53
Royalty	20.78	21.13
Travelling and Conveyance Expenses	58.48	103.96
Legal & Professional Charges	65.14	85.18
Telephone & Telex Expenses	6.65	8.10
Vehicle Expenses	41.24	42.93
Directors' Fees	8.05	4.80
In house R&D Expenses	16.84	16.62
Exchange Fluctuation (Net)	-	2.15
CSR Expenditure	47.35	45.50
Loss on Sale of Property Plant & Equipment	-	12.81
Donation	15.31	25.64

(Rupees in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Expenses Written off	35.96	-
Allowances for doubtful debts	26.75	10.35
Payment to Statutory Auditor (Refer Note No 38.1)	3.95	4.04
Miscellaneous Expenses	259.33	220.52
	2,411.83	2,374.01

Note No 38.1: Payment to Statutory Auditors
As Auditor

Audit Fees	3.00	3.00
Limited Review Fees	0.75	0.75
GST/Service Tax *	0.71	0.78

Company law Matters

Certification and Other Services	0.20	0.29
	4.66	4.82

* Out of above GST/Service Tax credit of Rs. 0.71 Lakhs (Previous Year Rs. 0.78 Lakhs) has been taken and the same has not been debited to Statement of Profit and Loss.

39 EXCEPTIONAL ITEMS

Particulars	March 31, 2020	March 31, 2019
Profit/(Loss) on Hedging Contracts	(281.93)	293.05
	(281.93)	293.05

40 EARNING PER SHARE

Particulars	Period ended March 31, 2020	Year ended March 31, 2019
Profit attributable to Equity Shareholders (Rs.)	1,511.28	1,668.13
No. of Equity Share outstanding during the year (Nos.)	3,24,50,000	3,24,50,000
Face Value of each Equity Share (Rs.)	1.00	1.00
Basic & Diluted earning per Share (Rs.)	4.66	5.14

41 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio and is measured by net debt divided by total capital plus net debt. The Company's net debt includes Current and non current borrowings less cash and cash equivalents.

Particulars		31 March 2020	31 March 2019
Borrowings		2,582.11	2,126.23
less- Cash and Cash equivalents		116.38	9.14
Net Debt		2,465.73	2,117.09
Total Equity		14,683.92	13,761.80
Capital and Net debt		17,149.65	15,878.89
Gearing ratio		14.38%	13.33%

(Rupees in Lakhs)

42 Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk, market risk and price risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact thereof in the financial statements.

Sl. No.	Risk	Exposure arising from	Measurement	Management
1	Credit Risk	Cash and cash equivalents, trade receivables and financial assets.	Credit ratings, Review of aging analysis.	Strict credit control and monitoring system based on well established & institutionalised credit policy. With high impact customer, company has a policy of taking advance against silver (raw material) booked by them.
2	Liquidity Risk	Trade payables and other financial liabilities.	Maturity analysis, cash flow projections.	Maintaining sufficient cash / cash equivalents.
3	Market Risk – Foreign Exchange	Highly probable forecast transactions and financial assets and liabilities not denominated in INR.	Foreign currency exposure review and sensitivity analysis on quarterly basis.	The Company is having natural hedging as it is net exporter.
4	Market Risk – Security prices	Investment in debentures	Sensitivity analysis	The Company is having monitoring system to review the said investment on timely basis. The risk exposure is insignificant compared to asset size of the Company.
5	Price Risk – Commodity Prices	Basic ingredients of company raw material is Silver where prices are volatile.	The company is exposed to the risk of price fluctuation of silver (Raw Material).	The Company proactively manage this risk through hedging, inventory management. The Company's reputation for quality with robust marketing existence, mitigate the impact of price risk on finished goods. The company is able to pass on price hike to the customer.

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, price risk, and other business risks effecting business operation. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

(A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks.

(Rupees in Lakhs)

Credit Risk Management

The Company source of credit risk at the reporting date is from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The company has provisioning policy for expected credit losses.

The maximum exposure to credit risk as at 31 March 2020 & 31 March 2019 is the carrying value of such trade receivables as shown in note 13 of the financials.

The Credit Loss allowances are provided in the case of trade receivables as under:

Rupees in Lakh

Loss allowance as on 31 March 2018	9.83
Change in loss allowance	10.35
Loss allowance as on 31 March 2019	20.18
Change in loss allowance	26.75
Loss allowance as on 31 March 2020	46.93

(B) Liquidity Risk

Liquidity risk represents the inability of the Company to meet its financial obligations within stipulated time. To mitigate this risk, the Company maintains sufficient liquidity by way of working capital limits from banks.

(C) Market risk

Foreign currency risk

The Company operates in domestic market. The company also has export. The company is having natural hedging as its exports are more than its imports. Hence foreign currency risk towards export is insignificant.

The Company imports certain materials which is significantly less with respect to total raw material procurement. Currently, Company does not hedge this exposures as it has natural hedging due to company being net exporter. Nevertheless, Company may wish to hedge such exposures.

Open exposure

The Company's exposure to foreign currency risk which are unhedged at the end of the reporting period is as follows:

Particulars	GBP	Euro	USD
31 March 2020			
Trade receivables- Foreign Currency	5,268.70	14,56,390.74	2,68,821.80
Trade receivables- INR in Lakhs	4.85	1,194.24	201.21
Trade payables- Foreign Currency	2,290.00	1,30,777.58	44,650.33
Trade payables- INR in Lakhs	2.11	107.19	32.97

(Rupees in Lakhs)

31 March 2019			
Trade receivables- Foreign Currency	2,412.30	12,58,004.33	2,95,950.38
Trade receivables- INR in Lakhs	2.16	964.89	202.96
Trade payables- Foreign Currency	-	2,05,670.06	30,063.93
Trade payables- INR in Lakhs	-	160.61	20.82

Sensitivity Analysis-

The Company is mainly exposed to changes in USD and Euro. The sensitivity analysis demonstrate a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD and Euro with respect to functional currency of the company will have impact of following (decrease)/increase in Profit & vice versa. The exposures is insignificant in case of GBP.

Particulars	31 March 2020	31 March 2019
	INR	INR
Euro	54.35	40.21
USD	8.41	9.11
Total	62.76	49.32

(D) Price risk

The company is exposed to price risk in basic ingredients of Company's raw material. The Company monitors its price risk and factors the price increase in pricing of the products.

43 Related party disclosures as required under Ind AS 24, "Related Party Disclosures", are given below:

(Related Parties are identified by the management, auditor's have relied upon the same)

(A) Names of related parties and description of relationship:
1. Enterprises over which key management personnel and relative of such personnel have significant influence

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

2. Enterprises over which Company has Control:

- (i) Modison Contacts Pvt Ltd - Wholly owned Subsidiary Company (w.e.f. 17th June, 2019)

3. Key Management Personnel

- (i) Mr. G. L. Modi - Managing Director
- (ii) Mr. Rajkumar Modi - Whole-time Director
- (iii) Mr. Kumar Jay Modi -Whole-time Director
- (iv) Mr. Manish Srivastava - CEO w.e.f. 20th May 2019
- (v) Mr. Rakesh Singh- Wole-time Director (upto 31st October 2018)
- (vi) Mr. Ramesh Kothari- Chief Financial Officer
- (vii) Ms. Deepashree Dadkar- Company Secretary (upto 15th October 2019)
- (viii) Ms. Manika Arora - Company Secretary (w.e.f 16th December 2019)

4. Relatives of Key Management Personnel

- (i) Mrs. Chandramani Devi Modi - Mother of Mr. Rajkumar Modi
- (ii) Mr. Omprakash Modi - Bother of Mr. G. L. Modi
- (iii) Ms. Anshika Rajkumar Modi - Daughter of Mr. Rajkumar Modi

B) Details of Transactions during the year with related parties, amount is excluding GST where ever applicable)

S.No.	Related parties	Nature of	2019-20	2018-19
			(Rs.)	(Rs.)
(i)	Mr. G.L. Modi	Short-term employee benefits	189.53	161.87
		Post retirement benefits	4.72	4.72
		Purchase of share of subsidiary company	11.84	-
		Sale of share of subsidiary company	-	7.10
(ii)	Mr. Rajkumar Modi	Short-term employee benefits	118.25	75.01
		Post retirement benefits	3.03	2.55
		Purchase of share of subsidiary company	9.97	-
		Sale of share of subsidiary company	-	5.98

(Rupees in Lakhs)

(iii)	Mr. Kumar Jay Modi	Rent Paid	0.84	1.34
		Short-term employee benefits	108.20	47.52
		Post retirement benefits	2.80	2.26
		Purchase of share of subsidiary company	3.12	-
		Sale of share of subsidiary company	-	1.87
(iv)	Mr. Rakesh Singh	Short-term employee benefits	-	54.95
		Post retirement benefits	-	0.13
(v)	Mr. Manish Srivastava	Short-term employee benefits	73.76	-
		Post retirement benefits	0.18	-
(vi)	Mrs. Chandramani Devi Modi	Rent Paid	3.00	3.00
(vii)	Modicon Pvt. Ltd.	Sale of Goods	8.29	35.04
		Service Rendered	0.17	-
		Purchase of Goods	0.29	0.16
(viii)	Modison Copper Pvt. Ltd.	Purchase of Goods	2,310.88	2,093.71
		Purchase of Plant & Machinery	-	0.08
		Sale of Goods	553.03	242.10
		Sale of Plant & Machinery	22.26	5.92
		Service Rendered	1.23	0.26
		Service Received	3.79	2.59
(ix)	Dishah Innovative Solutions Pvt. Ltd.	Sale of Goods	0.27	0.46
		Service Received	2.75	4.69
(x)	Modison (Partnership Firm)	Royalty	20.78	21.13
(xi)	Modison Engineering Pvt. Ltd.	Sale of Goods	0.47	0.44
(xii)	Mr. Omprakash Modi	Service Received	-	10.00
(xiii)	Mr. Ramesh Kothari	Short-term employee benefits	23.80	22.30
		Post retirement benefits	0.22	0.22

(Rupees in Lakhs)

(xiv)	Ms. Deepashree Dadkar	Short-term employee benefits	3.35	5.05
		Post retirement benefits	0.12	0.20
(xv)	Ms. Manika Arora	Short-term employee benefits	1.18	-
		Post retirement benefits	0.06	-
(xvi)	Ms. Anshika Rajkumar Modi	Short-term employee benefits	4.82	2.39
		Post retirement benefits	0.17	0.09

c) Balances at end of the year with related parties.

S.No.	Related parties	Nature of Transactions during the year	As at 31st March, 2020	As at 31st March, 2019
(i)	Mr. G.L. Modi	Short-term employee benefits payable	10.38	17.86
		Post retirement benefits payable	48.82	44.32
(ii)	Mr. Rajkumar Modi	Short-term employee benefits payable	5.98	9.02
		Post retirement benefits payable	44.87	42.06
(iii)	Mr. Kumar Jay Modi	Short-term employee benefits payable	5.50	7.80
		Post retirement benefits payable	15.59	13.01
(iv)	Mr. Manish Srivastava	Short-term employee benefits payable	0.08	-
(v)	Mr. Omprakash Modi	Service Receivable	-	9.00
(vi)	Mr. Ramesh Kothari	Short-term employee benefits payable	0.16	1.29
(vii)	Ms. Deepashree Dadkar	Short-term employee benefits payable	-	0.38
(viii)	Ms Manika Arora	Short-term employee benefits payable	0.04	-
(ix)	Ms. Anshika Rajkumar Modi	Short-term employee benefits payable	-	0.43
		Post retirement benefits payable	-	-
(x)	Modison Contacts Pvt. Ltd	Investment in Subsidiary	24.98	-
(xi)	Modison Copper Pvt. Limited	Amount Receivable	0.25	-

(Rupees in Lakhs)

44 Employee Benefits

As per IND AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the said Accounting Standards are given below :

(i) Defined Contribution Plan

Contribution to Defined Contribution Plan includes Provident Fund. The expenses recognised for the year are as under :

Particulars	2019-20	2018-19
	Rs.	Rs.
Employer's Contribution to Provident Fund	49.26	38.51

(ii) Defined Benefit Plan

(a) Gratuity:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days/one month salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service, retirement or death, whichever is earlier. The benefit vests after 5 years of continuous service.

(b) Leave encashment:

The Company has a policy on leave encashment which is applicable to all. The expected cost of accumulating leave encashment is determined based on the policy taken by the company from LIC which provides information on the obligation of the Company.

The plans of the Company exposes to actuarial risks such as Investment Risk, Interest rate risk, salary risk and longevity risk. These risks may impact the obligation of the Company.

(c) Major category of plan assets

The Company has taken plans from Life Insurance Corporation of India

(d) The following tables set out the funded status of the gratuity and leave encashment plans and the amounts recognised in the Company's financial statements as at 31 March 2020 and 31 March 2019.

Sr.No.	Particulars	2019-20		2018-19	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
I	Changes in present value of obligations				
(a)	Present value of obligations as at the beginning of year	20.96	194.85	21.87	169.18
(b)	Interest cost	1.57	14.61	1.75	13.53
(c)	Current Service Cost	1.58	12.52	1.41	11.61
(d)	Benefits Paid	-	(9.36)	(5.88)	(10.46)
(e)	Actuarial gain on obligations	(1.34)	0.58	1.81	10.99
(f)	Present value of obligations as at the end of year	22.77	213.20	20.96	194.85

(Rupees in Lakhs)

II	Changes in the fair value of plan assets				
(a)	Fair value of plan assets at the beginning of year	17.30	170.75	21.42	150.93
(b)	Expected return on plan assets	1.56	15.40	1.43	13.01
(c)	Contributions	3.53	25.97	0.34	17.27
(d)	Benefits paid	-	(9.36)	(5.88)	(10.46)
(e)	Actuarial gain on Plan assets	-	-	-	-
(f)	Fair value of plan assets at the end of year	22.39	202.77	17.30	170.75
III	Change in the present value of the defined benefit obligation and fair value of plan assets				
(a)	Present value of obligations as at the end of the year	22.77	213.20	20.96	194.85
(b)	Fair value of plan assets as at the end of the year	22.39	202.77	17.30	170.75
(c)	Net (liability) / asset recognized in balance sheet	(0.38)	(10.44)	(3.66)	(24.10)

(e) Amount for the year ended 31 March, 2020 and 31 March, 2019 recognised in the statement of profit and loss under employee benefit expenses.

Sr.No.	Particulars	2019-20		2018-19	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
I	Expenses Recognised in statement of Profit & Loss				
(a)	Current Service cost	1.58	12.52	1.41	11.61
(b)	Interest Cost	1.57	14.61	1.75	13.53
(c)	Expected return on plan assets	(1.56)	(15.40)	(1.43)	(13.01)
(d)	Net Actuarial gain recognised in the year	(1.34)	0.58	1.81	10.99
(e)	Expenses recognised in statement of Profit & Loss Account	0.25	12.31	3.54	23.12

(Rupees in Lakhs)

(f) Amount for the year ended March 31, 2020 and March 31, 2019 recognised in the statement of other comprehensive income.

Sr.No.	Particulars	2019-20		2018-19	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
I	Actuarial Gain/Loss recognized				
(a)	Actuarial gain for the year -Obligation	1.34	(0.58)	(1.81)	(10.99)
(b)	Actuarial gain for the year - plan assets	-	-	-	-
(c)	Total gain for the year	(1.34)	0.58	1.81	10.99
(d)	Total actuarial (gain)/ loss included in other comprehensive income	(1.34)	0.58	1.81	10.99

45 Derivatives

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under.

(a) Amount Receivable in Foreign Currency on account of the following :

Particulars	Foreign Currency	As on 31.03.2020		As on 31.03.2019	
		Amount in Foreign Currency	Rs.	Amount in Foreign Currency	Rs.
Amount Receivables	EURO	14,56,390.74	1,194.24	12,58,004.33	964.89
	GBP	5,268.70	4.85	2,412.30	2.16
	USD	2,68,821.80	201.21	2,95,950.38	202.96

(b) Amount Payable in Foreign Currency on account of the following :

Particulars	Foreign Currency	As on 31.03.2020		As on 31.03.2019	
		Amount in Foreign Currency	Rs.	Amount in Foreign Currency	Rs.
Amount Payable	EURO	1,30,777.58	107.19	2,05,670.06	160.61
	GBP	2,290.00	2.11	-	-
	USD	44,650.33	32.97	30,063.93	20.82

(Rupees in Lakhs)

46 RESEARCH AND DEVELOPMENT EXPENDITURE

S.No.	Particulars	2019-20	2018-19
		(Rs.)	(Rs.)
(i)	Capital Expenditure included in Fixed Assets	7.32	2.90
(ii)	Contribution to Scientific Research Association	-	-
(iii)	Revenue Expenditure included in Employee Benefit	35.35	34.26
(iv)	Revenue Expenditure included in Other Expenses & depreciation on R&D Capital assets	35.83	35.39

47 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.

S.No.	Particulars	2019-20		2018-19	
		With India	Outside India	With India	Outside India
(i)	Segment Revenue	17,634.65	4,582.73	17,622.18	4,476.63
(ii)	Segment Assets	17,617.98	1,456.84	16,757.02	1,256.99
(iii)	Addition Fixed Assets	448.89	152.88	340.51	206.71

48 LEASES:

The company's major leasing arrangements are in respect of staff quarters and office premises taken on Leave and License basis. The aggregate lease rentals of Rs 6.16 Lakhs (Previous Year: Rs.6.53 Lakhs) are charged as Rent and shown under the Note No. 38 "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.

The Company's major leasing arrangements are in respect of investment properties given on leave and licence basis. These leasing arrangements, which are cancellable, is for the period of 2 years and are usually renewable by mutual consent at mutually agreed terms and conditions. During the year both the flats were partly vacate. The aggregate rentals of Rs. 13.65 Lakhs (Previous Year: Rs.14.30 Lakh) collected as Licence Fees and shown under Note No. 31 "Other Income".

49 TRANSITION TO IND AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

(Rupees in Lakhs)

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

The company has identified that there were no leases which are in the nature of Right-to-use and hence no lease liability is recognised in the financial statements.

50 FAIR VALUE MEASUREMENT-

Financial instruments by category

(Rs in Lakhs)

	March 31, 2020			March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Compulsory convertible debentures	-	146.49	-	-	-	-
- Equity instruments	-	-	24.98	-	-	-
- Trade receivables	-	-	4,495.88	-	-	4,223.39
-Cash and cash equivalents	-	-	116.38	-	-	9.14
-Bank Balances	-	-	162.51	-	-	214.63
-Other receivable	-	-	112.80	-	-	114.53
Total financial assets	-	146.49	4,912.55	-	-	4,561.69
Financial liabilities						
-Borrowings	-	-	2.80	-	-	40.24
-Trade payables	-	-	472.68	-	-	443.14
-Current Maturities of Long Term Borrowings	-	-	2,541.86	-	-	2,045.38
-Other payables	-	-	94.69	-	-	55.51
Total financial liabilities	-	-	3,112.03	-	-	2,584.27

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b)

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under

(Rs in Lakhs)

Financial assets and liabilities measured at fair value At 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVOCI				
- Compulsory convertible debentures	-	146.49	-	146.49
Financial Investments at Amortised cost				
- Equity instruments			24.98	24.98

(Rupees in Lakhs)				
- Trade receivables			4,495.88	4,495.88
-Cash and cash equivalents			116.38	116.38
-Bank Balances			162.51	162.51
-Other receivable			112.80	112.80
Total financial assets	-	146.49	4,912.55	5,059.04
Financial liabilities				
-Borrowings			2.80	2.80
-Trade payables			472.68	472.68
-Current Maturities of Long Term Borrowings			2,541.86	2,541.86
-Other payables			94.69	94.69
Total financial liabilities	-	-	3,112.03	3,112.03

(Rs in Lakhs)				
Financial assets and liabilities measured at fair value At 31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at Amortised cost				
- Equity instruments	-	-	-	-
- Trade receivables			4,223.39	4,223.39
-Cash and cash equivalents			9.14	9.14
-Bank Balances			214.63	214.63
-Other receivable			114.53	114.53
Total financial assets	-	-	4,561.69	4,561.69
Financial liabilities				-
-Borrowings			40.24	40.24
-Trade payables			443.14	443.14
-Current Maturities of Long Term Borrowings			2,045.38	2,045.38
-Other payables			55.51	55.51
Total financial liabilities	-	-	2,584.27	2,584.27

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent
There are no transfers between levels 1 and 2 during the year.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

* the use of quoted market prices or dealer quotes for similar instruments

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

Valuation processes

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

51 IMPACT OF COVID-19

The company has assessed the possible effects that may result from the COVID-19 pandemic on the carrying amounts of receivables, intangibles, inventories, investments and other assets / liabilities. Based on the current indicators of economic conditions, the company expects to recover the carrying amount of all its assets. The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these standalone financial statements and the company will continue to closely monitor any material changes to the economic conditions in the future.

52 The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current presentation as per the schedule III of Companies Act, 2013.

FOR KANU DOSHI ASSOCIATES LLP**CHARTERED ACCOUNTANTS**

Firm's Registration Number: 104746W/W100096

KUNAL VAKHARIA
PARTNER
MEMBERSHIP NO. 148916

G.L. MODI
DIRECTOR
DIN: 00027373

RAJ KUMAR MODI
DIRECTOR
DIN: 00027449

PLACE : MUMBAI
DATED : 20th July 2020

RAMESH KOTHARI
CHIEF FINANCIAL OFFICER

MANIKA ARORA
COMPANY SECRETARY

INDEPENDENT AUDITORS' REPORT

To the Members of MODISON METALS LIMITED

Report on Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements 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"), which comprise of the Consolidated Balance Sheet as at March 31, 2020 and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and on the consideration of report of the other auditor on separate Financial Statements of the subsidiary Company referred to in point 1 in the paragraph on "Other Matters" below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their Consolidated state of affairs of the Group as at March 31, 2020, of Consolidated Profit (including other comprehensive income), Consolidated Statement of Changes in Equity and its Consolidated Cash Flows for the year then ended.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by The Institute of Chartered Accountant of India (ICAI), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Response To Key Audit Matter
1	<p>Inventory Valuation</p> <p>As at March 31, 2020 the Group held Rs. 6056.78 Lakhs of inventory representing 31.75% of total assets (out of which inventory amounting to Rs.634.57 Lakhs is in transit). Given the size of the inventory balance relative to the total assets of the Group and the estimates and judgments described below, the valuation of inventory required significant audit attention.</p> <p>As disclosed in Note No. 2(F), inventories are held at the lower of cost or net realisable value determined by using the weighted average cost method except for inventories that are booked by customers for their process work which are valued at the rates at which the same is booked by them.</p> <p>Management undertake the following procedure for determining valuation of closing inventory:</p> <ul style="list-style-type: none"> • Use Inventory ageing report to check slow moving & non-moving inventory to evaluate write down, if any, required; • Perform a line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost or net realizable value and a specific write down is recognized, if required. • For valuing inventory work in progress the Group follows norm based on management's estimates and judgments. 	<p>Principle Audit Procedures</p> <p>We have performed the following procedures over the valuation of inventory:-</p> <ul style="list-style-type: none"> □ For sample inventory items, re-performed the weighted average cost calculation; □ We tested that the ageing report used by management by verifying a sample of aged inventory with the last recorded invoice; □ On a sample basis we tested the net realizable value of inventory of raw material lines with recent selling prices of finished goods wherein these raw materials are used; □ Held discussions with management, to understand and corroborate the assumptions applied in estimating the inventory norms used for valuation of the inventory held as work in progress. <p>We also made enquiries with the management and considered the results of our testing above to determine whether any specific write downs were further required.</p> <p>From the procedures performed we have no matters to report.</p>
2	<p>Derivative Hedging of Commodity Price Risk</p> <p>The Group uses derivative financial instruments to hedge commodity price risks. These instruments are typically used to hedge prices of silver which is the main raw material used by the Group for production of its finished products. Due to estimates and judgments involved in entering to derivative</p>	<p>Principle Audit Procedures</p> <p>We have performed the following procedures to verify the accounting of derivative financial instruments.</p> <ul style="list-style-type: none"> □ Obtaining an understanding of the risk management policies and testing key controls for the use and

	<p>contract, it requires significant audit attention. Management undertakes the following procedure for accounting of derivative contract:</p> <ul style="list-style-type: none"> • Perform reconciliation of derivative financials instrument with third party confirmation • Checking of minimum margin money required to keep with third party. • Booking of hedging gain / loss on daily basis. <p>(For the year ended March 31, 2020 the Group has net hedging loss of Rs.281.93 Lakhs and had net hedging profit of Rs.293.05 Lakhs for the year ended March 31, 2019 Shown under exceptional item.)</p>	<p>the measurement of derivative financial instruments</p> <ul style="list-style-type: none"> <input type="checkbox"/> Reconciling derivative financial instruments data to third party confirmations. <input type="checkbox"/> Reconciling hedging gain / loss with third party confirmations <p>Considering the appropriateness of disclosures in relation to derivative financial instruments.</p>
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Other Information

The Holding Company's Management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, the consolidated financial performance, the consolidated changes in equity and the 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. 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 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 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.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

1. We did not audit the Financial Statements of one Subsidiary Company, whose Financial Statements reflect total assets of Rs.26.32 lakhs as at March 31, 2020 and total revenue of Rs. Nil and net cash inflows of Rs.2.77 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. This Financial Statements and other financial information have been audited by other auditor whose report has been furnished to us by the management, and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-Sections (3) and (11) of Section 143 of the Act, in so far as it relates to aforesaid subsidiary, is based solely on the report of the such other auditor.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other Auditor on separate Financial Statements of a subsidiary referred to in the paragraph on "Other Matters", 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 by the Holding Company, its subsidiary included in the group, so far as appears from our examination of those books and report of the other auditor.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement and the Consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company and a Subsidiary Company incorporated in India as on March 31, 2020 and taken on record by the Board of Directors of the Holding Company, we report that none of the directors of the Group is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary Company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on the Financial Statements of one of the Subsidiary:
 - i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements (Refer Note. 29(a) to the Ind As Consolidated Financial Statements)
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivatives contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary Company incorporated in India during the year ended March 31, 2020.

For Kanu Doshi Associates LLP
Chartered Accountants
FRN. No. 104746W/W100096

Kunal Vakharia
Partner
Membership no. 148916
UDIN: 20148916
Place: Mumbai
Date: 20th July 2020

ANNEXURE A TO THE AUDITORS' REPORT**Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

(Referred to in paragraph (f) of 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the Consolidated Financial Statements of **Modison Metals Limited** ("the Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary Company which is a Company incorporated in India, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 the respective 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal

financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements 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 consolidated 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 consolidated financial statements

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Kanu Doshi Associates LLP
Chartered Accountants
FRN. No. 104746W/W100096

Kunal Vakharia
Partner
Membership no. 148916
UDIN: 20148916

Place: Mumbai
Date: 20th July 2020

(Rupees in Lakhs)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	As at 31 March 2020
ASSETS		
(1) Non - current assets		
(a) Property, Plant and Equipment	3	5,574.35
(b) Capital work - in - progress	4	289.03
(c) Investment Property	5	195.51
(d) Other Intangible Assets	6	12.63
(e) Financial assets		
(i) Investments	7	166.71
(ii) Other financial assets	8	82.60
(f) Other non current tax assets (Net)	9	25.83
(g) Other non - current assets	10	1,123.26
Total Non Current Assets		7,469.92
(2) Current Assets		
(a) Inventories	11	6,056.78
(b) Financial assets		
(i) Trade receivables	12	4,495.88
(ii) Cash and cash equivalents	13	119.15
(iii) Bank balances other than (ii) above	14	162.51
(iv) Other financial assets	15	30.20
(c) Other current assets	16	738.39
Total Current Assets		11,602.91
Total Assets		19,072.83
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	17	324.50
(b) Other Equity	18	14,360.25
Total Equity		14,684.75
LIABILITIES		
(1) Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	19	2.80
(ii) Other financial liabilities	20	3.51
(b) Provisions	21	114.40
(c) Deferred tax liabilities (Net)	22	535.57
Total Non Current Liabilities		656.28
(2) Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	23	2,541.86
(ii) Trade payables	24	472.87
(iii) Other financial liabilities	25	91.18
(b) Other current liabilities	26	577.78
(c) Provisions	27	46.05
(d) Current tax liabilities (Net)	28	2.06
Total Current Liabilities		3,731.80
Total Liabilities		4,388.08
Total Equity & Liabilities		19,072.83

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

FOR KANU DOSHI ASSOCIATES LLP
CHARTERED ACCOUNTANTS

Firm's Registration Number: 104746W/W100096

FOR AND ON BEHALF OF THE BOARD
KUNAL VAKHARIA
PARTNER
MEMBERSHIP NO. 148916
G.L. MODI
DIRECTOR
DIN: 00027373
RAJ KUMAR MODI
DIRECTOR
DIN: 00027449
PLACE : MUMBAI
DATED : 20th July 2020
RAMESH KOTHARI
CHIEF FINANCIAL OFFICER
MANIKA ARORA
COMPANY SECRETARY

(Rupees in Lakhs)

**CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH, 2020**

Particulars	Note No.	For the year ended 31 March 2020
Revenue from operation	30	21,926.26
Other income	31	292.02
Total Income		22,218.28
<u>Expenses:</u>		
Cost of material consumed	32	14,531.90
Purchases of Stock - in - Trade	33	-
Changes in inventories of Finished goods, work - in -progress and Stock - in - trade	34	650.10
Employee benefit expenses	35	1,639.72
Finance Cost	36	198.49
Depreciation & amortization expenses	37	617.94
Other Expenses	38	2,412.13
Total Expenses		20,050.28
Profit before exceptional items & tax		2,168.00
Exceptional Items Income/(Expense)	39	(281.93)
Profit before tax		1,886.07
Less: Tax expenses		
(1) Current tax		
of Current years		525.08
of Earlier years		(42.25)
(2) Deferred tax		(108.48)
Deferred tax on acquisition of subsidiary		
Total Income Tax Expense		374.35
Profit after tax		1,511.72
Other Comprehensive Income		
A. (i) Items that will be reclassified to profit or loss		-
(ii) Income tax relating to items that will be reclassified to profit or loss		-
B. (i) Items that will not be reclassified to profit or loss		(2.76)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.40
Total Other Comprehensive Income for the year		(2.36)
Total Comprehensive Income for the year		1,509.36
Earning per equity share (Face Value of Rs. 1/- each)	40	
(1) Basic		4.66
(2) Diluted		4.66

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

FOR KANU DOSHI ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Firm's Registration Number: 104746W/W100096

FOR AND ON BEHALF OF THE BOARD

KUNAL VAKHARIA
PARTNER
MEMBERSHIP NO. 148916

G.L. MODI
DIRECTOR
DIN: 00027373

RAJ KUMAR MODI
DIRECTOR
DIN: 00027449

PLACE : MUMBAI
DATED : 20th July 2020

RAMESH KOTHARI
CHIEF FINANCIAL OFFICER

MANIKA ARORA
COMPANY SECRETARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year ended 31 March 2020

(Rupees in Lakhs)

a. Equity

Particulars	No of Shares	Amount
Balance at at 31st March, 2019	3,24,50,000	324.50
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2020	3,24,50,000	324.50

b. Other Equity

Particulars	Reserve and Surplus				Other items of Other comprehensive income			Total Other Equity
	Capital Reserve	Capital Reserve on Consolidation	General Reserve	Retained Earning	Remeasurement of net defined benefit plans	Fair valuation of CCD	Revaluation Reserve	
Balance as at March 31, 2019	190.88		1,114.72	12,136.80	(40.97)		35.87	13,437.30
Profit for the period	-		-	1,511.72	0.75			1,512.48
Fair value adjustment of Debentures on conversion of Equity shares				-		(3.11)		(3.11)
Disposal of revalued assets	-		-	1.62	-		(1.62)	(0.00)
Remeasurements of Defined Benefit Plan	-		-	-			-	-
Final Dividend paid	-		-	(162.25)	-		-	(162.25)
Interim Dividend paid	-		-	(324.50)	-		-	(324.50)
Dividend Distribution tax paid	-		-	(100.05)	-		-	(100.05)
Capital Reserve on Consolidation on acquisition of subsidiary		0.39	-	-	-	-	-	0.39
Balance as at March 31, 2020	190.88	0.39	1,114.72	13,063.34	(40.22)	(3.11)	34.25	14,360.25

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
FOR KANU DOSHI ASSOCIATES LLP
CHARTERED ACCOUNTANTS

Firm's Registration Number: 104746W/W100096

FOR AND ON BEHALF OF THE BOARD
KUNAL VAKHARIA
PARTNER
MEMBERSHIP NO. 148916
G.L. MODI
DIRECTOR
DIN: 00027373
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DIN: 00027449
PLACE : MUMBAI
DATED : 20th July 2020
RAMESH KOTHARI
CHIEF FINANCIAL OFFICER
MANIKA ARORA
COMPANY SECRETARY

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020
(Rupees in Lakhs)
March-20
A) CASH FLOW FROM OPERATING ACTIVITIES

Net Profit before tax & Extraordinary Items		1,886.07
Adjustment for:		
Depreciation /Amortisation	617.94	
Interest Income	(20.67)	
Reclassification of remeasurement of employee benefits	0.75	
Interest Expenses	180.02	
Bad debts		
Allowance for Bad Debts	26.75	
(Profit)/Loss on Sale of Assets/Discarded Assets (Net)	(5.00)	
Profit on Sale of Investment	-	
Excess Provision written back (Net)	-	
Sundry balance written back (Net)	(7.19)	
Exchange Rate Fluctuation (Net)	61.09	
		<u>853.69</u>

OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES
2,739.76
ADJUSTMENTS FOR WORKING CAPITAL CHANGES :

Other non - current assets	(1.72)	
Inventories	416.40	
Trade Receivable	(353.13)	
Other financial assets	5.36	
Other current assets	(188.86)	
Other non current financial liabilities	3.51	
Trade payables	29.73	
Other current financial liabilities	37.34	
Other current liabilities	(128.80)	
Provisions	(1.86)	
		<u>(182.04)</u>
Cash Generated from Operations		2,557.72
Direct Taxes paid		(633.96)
NET CASH FROM OPERATING ACTIVITIES		1,923.76

B) CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Property Plant and Equipment including Capital Work in Progress	(1,439.34)	
Purchase of Investment	(170.22)	
Capital Reserve on Acquisition of subsidiary	0.39	
Investment in Bank Deposit	52.12	
Sale of Property Plant and Equipment	35.72	
Interest Received	17.05	
		<u>(1,504.28)</u>
NET CASH USED IN INVESTING ACTIVITY		(1,504.28)

C) CASH FLOW FROM FINANCING ACTIVITIES

Net (Decrease)/ Increase in Borrowings	455.88	
Interest Paid	(180.24)	
Dividend Paid (Inclusive of Dividend Distribution Tax)	(585.11)	
		<u>(309.47)</u>
NET CASH USED IN FINANCING ACTIVITY		(309.47)
NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)		110.01
OPENING BALANCE OF CASH & CASH EQUIVALENTS		9.14
CLOSING BALANCE OF CASH & CASH EQUIVALENTS		<u>119.15</u>
		110.01

Notes
Closing Balance of Cash & Cash Equivalents

- 1 Cash and Cash Equivalents Includes: (Refer Note No 14)

CASH IN HAND	2.78
<u>BALANCE WITH SCHEDULED BANKS</u>	
- In Current Account	116.37
	<u>119.15</u>

- 2 Interest received excludes interest received for overdue payments from customers of Rs.7.19 Lakhs which has been considered from operational activities of the company.

As per our report attached of even date

FOR KANU DOSHI ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Firm's Registration Number: 104746W/W100096

FOR AND ON BEHALF OF BOARD OF DIRECTORS

KUNAL VAKHARIA
PARTNER
MEMBERSHIP NO. 148916

G.L. MODI
DIRECTOR
DIN: 00027373

RAJ KUMAR MODI
DIRECTOR
DIN: 00027449

PLACE : MUMBAI
DATED : 20th July 2020

RAMESH KOTHARI
CHIEF FINANCIAL OFFICER

MANIKA ARORA
COMPANY SECRETARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

1 CORPORATE INFORMATION

Modison Metals Limited (herein referred to as "MML" or "the company") is public limited company incorporated and domiciled in India. The address of its registered office is 33, Nariman Bhavan, 227, Nariman Point, Mumbai-400021, Maharashtra, India. The Company is a leading manufacturer of Electrical contacts in all the three segments, LV, MV & HV. The equity shares of the Company are listed on BSE Limited ("BSE"). The financial statements are presented in Indian Rupee (₹).

2 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(A) Basis Of Preparation Of Financial Statement

i) Compliance with Ind AS

The consolidated financial statements Complies in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

The consolidated financial statements were authorized for issue by the Group's Board of Directors on 20th July 2020.

These consolidated financial statements are presented in Indian Rupees (INR), which is also the functional currency. All the amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

(B) Basis Of Consolidation

These consolidated financial statements include the financial statements of Modison Metals Limited and its subsidiary. The subsidiary considered in the consolidated financial statements as at March 31, 2020 is as mentioned below:

Name Of Subsidiary	Country of Incorporation	% of shareholding	Period From
Modison Contacts Private Limited	India	100%	17th June 2019 to 31st March 2020

The financial statements of the Parent Group and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-Group balances / transactions and resulting unrealized profits in full. The amounts shown in respect of accumulated reserves comprises the amount of the relevant reserves as per the balance sheet of the Parent Group and its share in the post acquisition increase / decrease in the relevant reserves /accumulated deficit of its subsidiary.

The Parent Group and its Indian subsidiary maintain their records and prepare their financial statements under the Historical Cost Convention except certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost, in accordance with generally accepted accounting principals in India.

Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

ii) Historical cost convention

The Group follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. The consolidated financial statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

- (a) Certain financial assets and liabilities (Including Derivative Instruments) that are measured at fair value;
- (b) Defined benefit plans where plan assets are measured at fair value.

iii) Current and Non Current Classification.

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

(B) Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

(C) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(I) Financial Assets**(i) Classification**

The Group classifies its financial assets in the following measurement categories:

- (a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- (b) those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

- (a) For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.
- (b) For investments in debt instruments, this will depend on the business model in which the investment is held.
- (c) For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or other expenses (as applicable). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income or other expenses, as applicable.

(b) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has selected to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses, as applicable in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(c) Fair Value Hedge

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognised in statement of profit and loss.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime credit losses (ECL) to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(iv) Derecognition of financial assets

A financial asset is derecognised only when -

(a) The Group has transferred the rights to receive cash flows from the financial asset or

(b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(II) Financial Liabilities**(i) Measurement**

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

(ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(D) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortization, where appropriate.

(E) Segment Report

(i) The Group 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 Group operate.

(F) Inventories Valuation

(i) 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.

(ii) Cost of raw material has been ascertained on weighted average cost basis. Cost of finished goods and work-in-progress comprises, raw materials, direct labour, other direct costs and related production overheads.

(iii) Cost of other inventories has been ascertained on First-In-First-Out method (FIFO).

(iv) 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.

(G) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within current liabilities in statement of financial balance sheet and which are considered as integral part of Group's cash management policy.

(H) Income tax, deferred tax and dividend distribution tax

The Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the profit and loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

(i) Current income tax

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Group has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

(iii) Dividend distribution tax

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity.

(I) Property, plant and equipment

On transition to Ind AS, The Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and used those carrying value as the deemed cost of the property, plant and equipment.

(i) Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(iii) Cost of Capital Work in Progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment outstanding as of each balance sheet date and construction expenditures, other expenditures necessary for the purpose of preparing the CWIP for its intended use and borrowing cost incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

(iv) Depreciation methods, estimated useful lives and residual value:

(a) Fixed assets are stated at cost less accumulated depreciation.

(b) 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

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

(c) 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.

(d) No amortisation is provided in accounts in respect of Leasehold Land.

(e) Tangible assets which are not ready for their intended use on reporting date are carried as capital work-in-progress.

(f) The residual values are not more than 5% of the original cost of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income as applicable.

(J) Investment Property

Property that is held for rental or Capital appreciation and which is not occupied by the Group, is classified by Investing property. Investment property is measured at cost including related transaction cost and where applicable borrowing cost. Investment properties are depreciated at the same rate applicable for class of asset under Property, Plant and Equipment.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(K) Intangible assets

On transition to Ind AS, The Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and used those carrying value as the deemed cost of the intangible assets.

(i) An intangible asset shall be recognised if, and only if: (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and (b) the cost of the asset can be measured reliably.

(ii) Cost of technical know-how is amortised over a period of 10 years.

(iii) Computer software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. The same is amortised over a period of 5 years on straight-line method.

(L) Leases**(i) As a lessee****AS 116 - Lease Accounting**

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under Ind AS 116, the Group recognizes right of use assets and lease liabilities for most leases i.e. these leases are on balance sheet.

On transition, the Group has applied following practical expedients:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date.
- Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition.
- Excluded the initial direct costs from the measurement of the right-of -use-asset at the date of transition.
- Grandfathered the assessment of which transactions are, or contain leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- Relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

(ii) As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(M) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discount, taxes and amounts collected on behalf of third parties. The Group recognises revenue as under:

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). There are no material impact on revenue recognition by applying this standard.

(1) Sales**(i) The Group recognizes revenue from sale of goods when:**

- (a) The significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides with the delivery of goods.
- (b) The Group retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold.
- (c) The amount of revenue can be reliably measured.
- (d) It is probable that future economic benefits associated with the transaction will flow to the Group.
- (e) The cost incurred or to be incurred in respect of the transaction can be measured reliably.
- (f) The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(ii) The Group recognizes revenue from sale of services when:

- (a) The amount of revenue can be measured reliably.
- (b) It is probable that future economic benefits associated with the transaction will flow to the Group.
- (c) The stage of completion of the transaction at the end of the reporting period can be measured reliably.
- (d) The cost incurred for transaction and the cost to complete the transaction can be measured reliably.

(2) Other Income**(i) Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(ii) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

(iii) Export Benefits

Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

(N) Employee Benefit**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The group operates the following post-employment schemes:

(a) Defined benefit gratuity plan:

Gratuity and Leave encashment which are defined benefits are accrued based on actuarial valuation working provided by Life Insurance Corporation of India (LIC) . The Group has opted for a Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India (LIC), and the contribution is charged to the Statement of Profit & Loss each year. The Group has funded the liability on account of leave benefits through LIC's Group Leave Encashment Assurance Scheme and the Contribution is charged to Statement of Profit and Loss. In case of non member of the gratuity fund, the same is provided as per the approval of central Government and/or as per payment of the Gratuity Act, 1972.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan. The defined benefit obligation is calculated annually as provided by LIC. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(b) Defined benefit provident fund plan:

Contribution payable to recognised provident fund which is defined contribution scheme is charged to Statement of Profit & Loss. The Group has no further obligation to the plan beyond its contribution.

(O) Foreign currency translation**(i) Functional and presentation currency**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. All the foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other expenses or other income as applicable.

(P) Borrowing Cost

(i) Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(ii) Borrowings are classified as current financial liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(Q) Earnings per share**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company; and
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

ii) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(R) Impairment of Assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(S) Provisions, contingent liabilities and contingent assets**(i) Provisions:**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

(ii) Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

(iii) Contingent Assets: Contingent Assets are disclosed, where an inflow of economic benefits is probable.

(T) Investments

On transition to Ind AS, equity investments are measured at fair value, with value changes recognised in Other Comprehensive Income, except for mutual fund which is fair value through Statement of Profit and Loss.

(U) Trade receivables

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(V) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

(W) Operating Cycle

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

(X) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Rupees Lakhs (upto two decimals), unless otherwise stated as per the requirement of Schedule III (Division II).

NOTE NO 3
PROPERTY, PLANT AND EQUIPMENT

(Rupees in Lakhs)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/IMPAIRMENT LOSSES					NET CARRYING AMOUNT
	AS AT 01.04.2019	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2020	UP TO 01.04.2019	DEP. FOR THE YEAR	IMPAIRMENT LOSSES	DEDUCTION DURING THE YEAR	AS AT 31.03.2020	AS AT 31.03.2020
Leasehold Land	94.46	-	-	94.46	-	-	-	-	-	94.46
Buildings	1,006.18	79.06	-	1,085.24	160.23	49.95	-	-	210.18	875.06
Buildings (SF6, Plot No. 85 B and Plot No. 85 D&E)	494.67	-	-	494.67	64.90	23.06	-	-	87.96	406.71
Plant & Machinery	2,967.59	228.05	44.75	3,150.89	955.89	289.23	-	23.82	1,221.30	1,929.59
Plant & Machinery (SF6)	2,508.22	223.52	23.51	2,708.23	479.40	169.78	-	14.84	634.34	2,073.89
Furniture & Fixtures	34.99	13.77	-	48.76	17.72	4.57	-	-	22.29	26.47
Vehicles	252.30	36.04	8.81	279.53	94.66	54.09	-	7.69	141.06	138.47
Office Equipments	55.63	20.35	-	75.98	34.01	12.27	-	-	46.28	29.70
Total Property, Plant and Equipment	7,414.04	600.79	77.07	7,937.76	1,806.81	602.95	-	46.35	2,363.41	5,574.35

(Rupees in Lakhs)

NOTE NO 4
CAPITAL WORK-IN-PROGRESS

PARTICULARS	AS AT 01.04.2019	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2020
Capital Work- in- Progress (Refer Note No 4.1)	91.16	197.87	-	289.03

Note No 4.1: Capital work-in-progress mainly comprises for Building & Plant & Machinery.

NOTE NO 5
INVESTMENT PROPERTY

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/IMPAIRMENT LOSSES					NET CARRYING AMOUNT
	AS AT 01.04.2019	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2020	UP TO 01.04.2019	DEP. FOR THE YEAR	IMPAIRMENT LOSSES	DEDUCTION DURING THE YEAR	AS AT 31.03.2020	AS AT 31.03.2020
Residential Flats	227.10	-	-	227.10	21.58	10.01	-	-	31.59	195.51
Total Investment Property	227.10	-	-	227.10	21.58	10.01	-	-	31.59	195.51

Amount recognised in profit or loss for Investment Properties

Particulars	March 31 st , 2020
Rental Income	13.65
Direct expenses related to property	7.65
There are no restrictions on the realisability of investment property.	
The company is using same life for the same class of asset as applicable for property plant and equipment.	
Fair Value	
The Company has not taken third party independent valuation for the property.	
The estimated fair value is Approx. Rs. 407.26 Lakhs based on the ready reckoner rates.	

NOTE NO 6
OTHER INTANGIBLE ASSETS

(Rupees in Lakhs)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/IMPAIRMENT LOSSES					NET CARRYING AMOUNT
	AS AT 01.04.2019	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2020	UP TO 01.04.2019	DEP. FOR THE YEAR	IMPAIRMENT LOSSES	DEDUCTION DURING THE YEAR	AS AT 31.03.2020	AS AT 31.03.2020
Computer Software/Website	46.70	0.98	-	47.68	30.07	4.98	-	-	35.05	12.63
Total Other Intangible Assets	46.70	0.98	-	47.68	30.07	4.98	-	-	35.05	12.63

(Rupees in Lakhs)

7 NON CURRENT INVESTMENTS

Particulars	As at March 31, 2020
<u>Unquoted</u>	
In Debenture	
Windstream Energy (Ccd'S) Investment Account (AT FVOCI) (Refer Note 7.1)	146.49
(Quantity as at 31st March 2020: 30,000)	
In Mutual Funds (At FVTPL)	
Aditya Birla Sun Life Corporate Bond Fund Growth Regular (Face Value: Rs. 10)	10.28
(Quantity as at 31st March 2020: 71,082.187)	
L&T Income Opportunities Fund- Growth (Face Value: Rs. 10)	9.94
(Quantity as at 31st March 2020: 45,986.878)	
	166.71
Total of Long Term Investments	166.71
Less : Provision for Diminution in the value of Investment	-
Net Value of Investment	166.71

Note 7.1:

Date of Issuance: 24th July 2019

Each Compulsory Convertible Debentures (CCD) will have a Face value of Rs 500 each.

Interest shall be payable @ 0.1% p.a

Each CCD shall be converted in the ratio of 7:1 equity shares of the Company at the end of five years from the date of issuance.

8 OTHER NON CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2020
(Unsecured, Considered Good, unless specified otherwise)	
Deposits	82.60
	82.60

9 OTHER NON CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2020
Advance Tax and Tax Deducted at Source (Net of Provision for Taxation)	25.83
	25.83

10 OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2020
(Unsecured, Considered Good, unless specified otherwise)	
Capital Advances	1,112.03
Advance recoverable in cash or kind or for value to be received	11.23
	1,123.26

11 INVENTORIES

Particulars	As at March 31, 2020
Raw Material (Refer Note No 11.1)	1,238.50
Work-in-progress (Refer Note No 11.2)	4,587.31
Finished Goods	94.29
Stores & Spares	4.81
<u>Others</u>	
Packing Material	6.58
Scrap	125.29
	6,056.78

Note No 11.1: Raw Material includes Stock -in transit Rs. 634.57 Lakhs

Note No 11.2: 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 IND AS 2, on "Inventories". However the impact on the profit is not material.

12 TRADE RECEIVABLES

Particulars	As at March 31, 2020
(Unsecured, unless specified otherwise)	
Considered good	4,495.88
Considered Doubtful	46.93
Less : Allowance for Expected Credit Loss (Refer Note No 12.1)	(46.93)
	4,495.88

Note No 12.1: Movement in the allowance of doubtful receivables

Particulars	As at March 31, 2020
Balance at the beginning of the year	20.18
Less: Amounts written off during the year (net)	26.75
Changes in allowance for doubtful receivables	-
Balance at end of the year	46.93

The average credit period is around 60 days for Sales depending upon Terms of the Purchase Orders. Normally no interest is charged on trade receivables. The Company is providing for expected credit loss based on past trends of receivable.

13 CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2020
Balance With Banks	
- In Current Account	116.37
Cash on Hand	2.78
	119.15

14 BANK BALANCES

Particulars	As at March 31, 2020
Unpaid Dividend Account (Refer Note No 14.1)	5.82
Margin Money Account (Refer Note No 14.2)	156.69
	162.51

Note No 14.1: The company can utilise balances only towards settlement of the unpaid dividend.

Note No 14.2: Margin money deposits amounting to Rs. 81.69 Lakhs are lying with bank against Bank Guarantees, Buyers Credit and Letter of Credit & Rs. 75.00 Lakhs is lying with Reliance Commodities Limited towards margin for forward commodity contract (Hedging).

15 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2020
Security deposits	3.60
Advances to Staff	5.91
Interest Receivable	14.93
Other Receivable	5.77
	30.20

16 OTHER CURRENT ASSETS

Particulars	As at March 31, 2020
Balance with Government Authorities	43.87
Advance to supplier	180.62
Advance recoverable in cash or kind or for value to be received	497.89
Duty Drawback Receivable	16.00
	738.39

17 EQUITY SHARE CAPITAL & OTHER EQUITY

Particulars	As at March 31, 2020
Authorized Share Capital	
10,00,00,000 Equity shares, Re. 1/- par value	1,000.00
	1,000.00
Issued, Subscribed and Fully Paid Up Shares	
3,24,50,000 Equity Shares, Re. 1/- par share	324.50
Total Issued, Subscribed and Fully Paid Up Share Capital	324.50

Note No 17.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31st March 2020 :

Particulars	March 31, 2020	
	No. of Shares	Amount in Rs
Number of shares at the beginning	3,24,50,000	324.50
Add: Shares issued during the year	-	-
Less : Shares bought back	-	-
Number of shares at the end	3,24,50,000	324.50

Note No 17.2: 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.

(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 17.3: The details of shareholders holding more than 5% shares in the company :

Name of the shareholders	March 31, 2020	
	No. of shares held	% held as at March 31, 2020
G.L. Modi HUF	75,82,130	23.37%
Mr. Rajkumar Modi	67,47,305	20.79%
Mr. Kumar Jay Modi	17,74,000	5.47%
Mr. Prakashchandra Modi	46,60,509	14.36%

(In Rupees)

Note No 17.4: The details of Interim/final Dividend paid per share is as under-

Year	Interim Dividend paid per share	Proposed Final Dividend per share
2019-20	1.00	-

18 OTHER EQUITY

Particulars	As at March 31, 2020
* Reserve & Surplus	
# Capital Reserve	190.88
## General Reserve	1,114.72
Capital Reserve on Consolidation	0.39
Retained Earnings	13,063.34
Other Comprehensive Income (OCI)	
-Remeasurement of net defined benefit plans	(40.22)
-Fair valuation of CCD	(3.11)
- Revaluation Reserve ###	34.25
	14,360.25

* For movement, refer statement of changes in equity.

Capital reserve mainly represents amount on capital nature account.

General reserve reflects amount transferred from statement of profit and loss in accordance with regulations of the Companies Act, 2013.

Revaluation reserve represent revaluation done of certain property plant & equipment in earlier years.

19 BORROWINGS

Particulars	As at March 31, 2020
<u>Secured Loan</u>	
<u>Term Loans</u>	
<u>From Bank</u>	
Vehicle Loans (Refer Note No 19.1)	2.80
	2.80

Note No 19.1: Terms of Repayment, Nature of Securities in respect of Term Loans

Vehicle loan taken from HDFC Bank Ltd & ICICI Bank Limited carried interest @ range between 8.35% to 10.49% and is repayable in range between 36 to 37 monthly installment. The loan is secured by hypothecation of Vehicle.

20 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2020
Deposits	3.51
	3.51

21 PROVISIONS

Particulars	As at March 31, 2020
Provisions for Employee Benefits	
For Gratuity	114.40
	114.40

22 DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2020
<u>Deferred tax liabilities</u>	
Difference between depreciation as per books and as per Income- tax Act, 1961	588.98
Fair Value of Investment	0.58
	589.56
<u>Less: Deferred tax assets</u>	
Expenses allowable on payment basis	37.88
Allowance for Bad & Doubtful Debts	11.81
Fair value of CCD	0.40
On brought forward loss of subsidiary	0.17
On Gratuity	0.06
Mat Credit Entitlement	3.67
	53.99
Deferred tax liabilities (Net)	535.57
	535.57

Income tax

The major components of income tax expense for the year ended 31 March, 2020

Particulars	For the year ended 31st March, 2020
Current tax – including earlier years: (-) Rs. 42.25 Lakhs (31 March 2019: Rs. 9.46 Lakhs)	482.83
Deferred Tax	(108.48)
	374.35

(Rupees in Lakhs)

Reconciliation of tax expenses and accounting profit multiplied by domestic tax rate	
Particulars	For the year ended 31st March, 2020
Profit before income tax expenses	1,886.07
Tax at the Indian tax rate @ 25.168% (31 March 2019, 29.12 %)	474.69
Add: Item giving rise to difference in tax	
Permanent difference of income as per books vs income as per income tax	17.39
Earlier year adjustment	(42.25)
Interest provision u/s 234B & 234C	-
Changes in tax rate	(77.15)
Others	1.68
	374.35

23 BORROWINGS

Particulars	As at March 31, 2020
Secured Loan (Refer Note No 23.1)	
<u>From Bank</u>	
Working Capital Loan	2,474.35
Export Packing Credit in Foreign Currency	67.51
	2,541.86

Note No 23.1: Secured by Hypothecation of stocks & book debts and further secured by collateral security of all movable and immovable factory properties including Land & Building.

24 TRADE PAYABLES

Particulars	As at March 31, 2020
Current	
Dues of micro and small enterprises (Refer Note No 24.1)	7.49
Dues other than micro and small enterprises (Refer Note No 24.1)	465.38
	472.87

Note No 24.1: The company has received information from some vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. The payments were made within due dates and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act, have not been given.

25 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2020
Current maturities of long term borrowings	37.45
Interest Accrued but not due	0.21
Unpaid Dividends	5.82
Sundry Creditors For Capital Goods	46.55
Deposits	0.75
Other Payables	0.40
	91.18

26 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2020
Advances From Customers	510.96
Statutory Dues Payable	65.96
Others	0.86
	577.78

(Rupees in Lakhs)

27 PROVISIONS

Particulars	As at
	March 31, 2020
Provision for Employee Benefits	
For Gratuity (Refer Note No 44)	10.67
For Leave Salary (Refer Note No 44)	35.38
	46.05

28 CURRENT TAX LIABILITIES (NET)

Particulars	As at
	March 31, 2020
Provision for taxation (Net of tax payment)	2.06
	2.06

29 a) CONTINGENT LIABILITIES: #

Particulars	As at
	March 31, 2020
Disputed Income Tax Liabilities	64.33
Disputed Sales Tax Liabilities	37.53
Disputed Central Excise & Service Tax Liabilities	937.41
Bond issued under Advance License/Export Promotion Capital Goods Scheme	196.49
	1,235.76

b) COMMITMENTS

Particulars	As at
	March 31, 2020
Estimated amounts of Contracts remaining to be executed on Capital account and not provided for (Net of Advances)	873.19
	873.19

The management does not expect these demands/claims to succeed. Claims, where the possibility of outflow of resources embodying economic benefits is remote, have not been considered in contingent liability.

(Rupees in Lakhs)

30 REVENUE FROM OPERATION

Particulars	March 31, 2020
Sales of Product	21,773.03
Sale of Services	2.31
<u>Other Operating Revenue</u>	
Export incentive received	150.92
	21,926.26

31 OTHER INCOME

Particulars	March 31, 2020
Interest Income (Refer Note No 31.1)	24.05
Rent Received	13.65
<u>Other Non Operating Income</u>	
Net Foreign Exchange Gain (Net)	165.61
Profit on Sale of Fixed Assets (Net)	5.00
Miscellaneous Income	82.81
Profit on sale of investment	-
Fair Value measurement of investment (at FVTPL)	0.90
	292.02

Note No. 31.1 : Break-up of Interest Income

Interest income on deposits with banks	17.63
Interest income on deposits with others	2.45
Interest income on Income tax refund	0.60
Interest income from customers	3.37
	24.05

32 COST OF RAW MATERIALS CONSUMED

Particulars	March 31, 2020
Inventory at the beginning of the year	617.84
Add : Purchases of Raw Material	15,504.76
	16,122.59
Less : Sale of Raw Material	352.20
Less : Inventory at the end of the year	1,238.50
Consumption of Raw Material	14,531.90

33 PURCHASES OF STOCK IN TRADE

Particulars	March 31, 2020
Traded goods	-
	-

(Rupees in Lakhs)

34 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

Particulars	March 31, 2020
Inventories at the end of the year	
Finished Goods	94.29
Work In Progress	4,587.31
Scrap	125.29
	4,806.89
Inventories at the beginning of the year	
Finished Goods	195.53
Work In Progress	5,078.46
Scrap	183.00
	5,456.99
	650.10

35 EMPLOYEE BENEFIT EXPENSES

Particulars	March 31, 2020
Salaries & Wages	1,531.05
Contribution to Provident & Other Funds	65.06
Staff Welfare Expenses	43.61
	1,639.72

36 FINANCE COST

Particulars	March 31, 2020
Interest Expense (Refer Note No 36.1)	180.02
Unwinding of interest on security deposits	0.14
<u>Other Borrowing Cost</u>	
Bank Finance Cost	18.33
	198.49
Note No. 36.1 : Break-up of Interest Expense	
Interest expense on bank borrowings	174.91
Interest expense on vehicle loan	5.09
Interest on Income tax	0.02
	180.02

37 DEPRECIATION & AMORTIZATION EXPENSES

Particulars	March 31, 2020
Depreciation on Property, Plant and Equipment	602.95
Depreciation on Investment Property	10.01
Amortisation on Intangible Assets	4.98
	617.94

(Rupees in Lakhs)

38 OTHER EXPENSES

Particulars	March 31, 2020
Consumption of stores and spare parts	366.32
Consumable of tools & dies	195.48
Packing Expenses	35.47
Power & fuel	479.33
Processing & Labour Charges	434.98
Rent	6.16
Repairs to Buildings	8.59
Repairs to Machinery	74.73
Repairs to Others	26.03
Security Expenses	34.30
Freight Outward Export	41.60
Insurance	18.89
Rates and taxes	9.90
Advertisement & Sales Promotion	28.30
Bank Charges	19.79
Commission on Sales	23.25
Cost Audit Fees	0.50
Electricity Expenses	2.37
Royalty	20.78
Travelling and Conveyance Expenses	58.48
Legal & Professional Charges	65.14
Telephone & Telex Expenses	6.65
Vehicle Expenses	41.24
Directors' Fees	8.05
In house R&D Expenses	16.84
CSR Expenditure	47.35
Donation	15.31
Expenses Written off	35.96
Allowances for doubtful debts	26.75
Payment to Statutory Auditor (Refer Note No 38.1)	4.25
Miscellaneous Expenses	259.32
	2,412.13

Note No 38.1: Payment to Statutory Auditors
As Auditor

Audit Fees	3.30
Tax Audit Fees	-
Limited Review Fees	0.75
GST/Service Tax *	0.71
In other capacity	-
Company law Matters	
Certification and Other Services	0.20
GST/Service Tax *	-
	4.96

* Out of above GST/Service Tax credit of Rs. 0.71 Lakhs has been taken and the same has not been debited to Statement of Profit and Loss.

(Rupees in Lakhs)

39 EXCEPTIONAL ITEMS

Particulars	March 31, 2020
Profit/(Loss) on Hedging Contracts	(281.93)
	(281.93)

40 EARNING PER SHARE

Particulars	Period ended March 31, 2020
Profit attributable to Equity Shareholders (Rs.)	1,511.72
No. of Equity Share outstanding during the year (Nos.)	3,24,50,000
Face Value of each Equity Share (Rs.)	1.00
Basic & Diluted earning per Share (Rs.)	4.66

41 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio and is measured by net debt divided by total capital plus net debt. The Company's net debt includes Current and non current borrowings less cash and cash equivalents.

Particulars	31 March 2020
Borrowings	2,582.11
less- Cash and Cash equivalents	119.15
Net Debt	2,462.96
Total Equity	14,684.75
Capital and Net debt	17,147.71
Gearing ratio	14.36%

(Rupees in Lakhs)

42 Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk, market risk and price risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact thereof in the financial statements.

Sl. No.	Risk	Exposure arising from	Measurement	Management
1	Credit Risk	Cash and cash equivalents, trade receivables and financial assets.	Credit ratings, Review of aging analysis.	Strict credit control and monitoring system based on well established & institutionalised credit policy. With high impact customer, company has a policy of taking advance against silver (raw material) booked by them.
2	Liquidity Risk	Trade payables and other financial liabilities.	Maturity analysis, cash flow projections.	Maintaining sufficient cash / cash equivalents.
3	Market Risk – Foreign Exchange	Highly probable forecast transactions and financial assets and liabilities not denominated in INR.	Foreign currency exposure review and sensitivity analysis on quarterly basis.	The Company is having natural hedging as it is net exporter.
4	Market Risk – Security prices	Investment in debentures & Mutual Funds	Sensitivity analysis	The Company is having monitoring system to review the said investment on timely basis. The risk exposure is insignificant compared to asset size of the Company.
5	Price Risk – Commodity Prices	Basic ingredients of company raw material is Silver where prices are volatile.	The company is exposed to the risk of price fluctuation of silver (Raw Material).	The Company proactively manage this risk through hedging, inventory management. The Company's reputation for quality with robust marketing existence, mitigate the impact of price risk on finished goods. The company is able to pass on price hike to the customer.

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, price risk, and other business risks effecting business operation. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

(A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks.

(Rupees in Lakhs)

Credit Risk Management

The Company source of credit risk at the reporting date is from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The company has provisioning policy for expected credit losses.

The maximum exposure to credit risk as at 31 March 2020 is the carrying value of such trade receivables as shown in note 12 of the financials.

The Credit Loss allowances are provided in the case of trade receivables as under:

Rupees in Lakh

Loss allowance as on 31 March 2019	20.18
Change in loss allowance	26.75
Loss allowance as on 31 March 2020	46.93

(B) Liquidity Risk

Liquidity risk represents the inability of the Company to meet its financial obligations within stipulated time. To mitigate this risk, the Company maintains sufficient liquidity by way of working capital limits from banks.

(C) Market risk

Foreign currency risk

The Company operates in domestic market. The company also has export. The company is having natural hedging as its exports are more than its imports. Hence foreign currency risk towards export is insignificant.

The Company imports certain materials which is significantly less with respect to total raw material procurement. Currently, Company does not hedge this exposures as it has natural hedging due to company being net exporter. Nevertheless, Company may wish to hedge such exposures.

Open exposure

The Company's exposure to foreign currency risk which are unhedged at the end of the reporting period is as follows:

Particulars	GBP	Euro	USD
31 March 2020			
Trade receivables- Foreign Currency	5,268.70	14,56,390.74	2,68,821.80
Trade receivables- INR in Lakhs	4.85	1,194.24	201.21
Trade payables- Foreign Currency	2,290.00	1,30,777.58	44,650.33
Trade payables- INR in Lakhs	2.11	107.19	32.97

Sensitivity Analysis-

The Company is mainly exposed to changes in USD and Euro. The sensitivity analysis demonstrate a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD and Euro with respect to functional currency of the company will have impact of following (decrease)/increase in Profit & vice versa. The exposures is insignificant in case of GBP.

Particulars	31 March 2020
	INR
Euro	54.35
USD	8.41
Total	62.76

(D) Price risk

The company is exposed to price risk in basic ingredients of Company's raw material. The Company monitors its price risk and factors the price increase in pricing of the products.

(Rupees in Lakhs)

43 Related party disclosures as required under Ind AS 24, "Related Party Disclosures", are given below:

(Related Parties are identified by the management, auditor's have relied upon the same)

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

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

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

2. Key Management Personnel

- (i) Mr. G. L. Modi - Managing Director
- (ii) Mr. Rajkumar Modi - Whole-time Director
- (iii) Mr. Kumar Jay Modi -Whole-time Director
- (iv) Mr. Manish Srivastava - CEO w.e.f. 20th May 2019
- (v) Mr. Ramesh Kothari- Chief Financial Officer
- (vi) Mr. Rakesh Singh- Whole Time Director (upto - 31.10.2018)
- (vi) Ms. Deepashree Dadkar- Company Secretary (upto 15.10.2019)
- (vii) Ms. Manika Arora - Company Secretary (w.e.f 16.12.2019)

3. Relatives of Key Management Personnel

- (i) Mrs. Chandramani Devi Modi - Mother of Mr. Rajkumar Modi
- (ii) Mr. Omprakash Modi - Brother of Mr. G. L. Modi
- (iii) Ms. Anshika Rajkumar Modi - Daughter of Mr. Rajkumar Modi

B) Details of Transactions during the year with related parties, amount is excluding GST where ever applicable)

S.No.	Related parties	Nature of	2019-20
			(Rs.)
(i)	Mr. G.L. Modi	Short-term employee benefits	189.53
		Post retirement benefits	4.72
		Purchase of share of subsidiary company	11.84
(ii)	Mr. Rajkumar Modi	Short-term employee benefits	118.25
		Post retirement benefits	3.03
		Purchase of share of subsidiary company	9.97
(iii)	Mr. Kumar Jay Modi	Rent Paid	0.84
		Short-term employee benefits	108.20
		Post retirement benefits	2.80
		Purchase of share of subsidiary company	3.12
(iv)	Mr. Manish Srivastava	Short-term employee benefits	73.76
		Post retirement benefits	0.18
(v)	Mrs. Chandramani Devi Modi	Rent Paid	3.00
(vi)	Modicon Pvt. Ltd.	Sale of Goods	8.29
		Service Rendered	0.17

(Rupees in Lakhs)

		Purchase of Goods	0.29
(vii)	Modison Copper Pvt. Ltd.	Purchase of Goods	2,310.88
		Sale of Goods	553.03
		Sale of Plant & Machinery	22.26
		Service Rendered	1.23
		Service Received	3.79
(viii)	Dishah Innovative Solutions Pvt. Ltd.	Sale of Goods	0.27
		Service Received	2.75
(ix)	Modison (Partnership Firm)	Royalty	20.78
(x)	Modison Engineering Pvt. Ltd.	Sale of Goods	0.47
(xi)	Mr. Ramesh Kothari	Short-term employee benefits	23.80
		Post retirement benefits	0.22
(xii)	Ms. Deepashree Dadkar	Short-term employee benefits	3.35
		Post retirement benefits	0.12
(xiii)	Ms. Manika Arora	Short-term employee benefits	1.18
		Post retirement benefits	0.06
(xiv)	Ms. Anshika Rajkumar Modi	Short-term employee benefits	4.82
		Post retirement benefits	0.17

c) Balances at end of the year with related parties.

S.No.	Related parties	Nature of Transactions during the year	As at 31st March, 2020
(i)	Mr. G.L. Modi	Short-term employee benefits payable	10.38
		Post retirement benefits payable	48.82
(ii)	Mr. Rajkumar Modi	Short-term employee benefits payable	5.98
		Post retirement benefits payable	44.87
(iii)	Mr. Kumar Jay Modi	Short-term employee benefits payable	5.50
		Post retirement benefits payable	15.59
(iv)	Mr. Manish Srivastava	Short-term employee benefits payable	0.08
(v)	Mr. Ramesh Kothari	Short-term employee benefits payable	0.16
(vi)	Ms Manika Arora	Short-term employee benefits payable	0.04
(vii)	Modison Copper Pvt. Limited	Amount Receivable	0.25

(Rupees in Lakhs)

44 Employee Benefits

As per IND AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the said Accounting Standards are given below :

(i) Defined Contribution Plan

Contribution to Defined Contribution Plan includes Provident Fund. The expenses recognised for the year are as under :

Particulars	2019-20
	Rs.
Employer's Contribution to Provident Fund	49.26

(ii) Defined Benefit Plan

(a) Gratuity:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days/one month salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service, retirement or death, whichever is earlier. The benefit vests after 5 years of continuous service.

(b) Leave encashment:

The Company has a policy on leave encashment which is applicable to all. The expected cost of accumulating leave encashment is determined based on the policy taken by the company from LIC which provides information on the obligation of the Company.

The plans of the Company exposes to actuarial risks such as Investment Risk, Interest rate risk, salary risk and longevity risk. These risks may impact the obligation of the Company.

(c) Major category of plan assets

The Company has taken plans from Life Insurance Corporation of India

(d) The following tables set out the funded status of the gratuity and leave encashment plans and the amounts recognised in the Company's financial statements as at 31 March 2020

Sr.No.	Particulars	2019-20	
		Leave Encashment	Gratuity
		Rs.	Rs.
I	Changes in present value of obligations		
(a)	Present value of obligations as at the beginning of year	20.96	194.85
(b)	Interest cost	1.57	14.61
(c)	Current Service Cost	1.58	12.52
(d)	Benefits Paid	-	(9.36)
(e)	Actuarial gain on obligations	(1.34)	0.58
(f)	Present value of obligations as at the end of year	22.77	213.20

(Rupees in Lakhs)

II	Changes in the fair value of plan assets		
(a)	Fair value of plan assets at the beginning of year	17.30	170.75
(b)	Expected return on plan assets	1.56	15.40
(c)	Contributions	3.53	25.97
(d)	Benefits paid	-	(9.36)
(e)	Actuarial gain on Plan assets	-	-
(f)	Fair value of plan assets at the end of year	22.39	202.77
III	Change in the present value of the defined benefit obligation and fair value of plan assets		
(a)	Present value of obligations as at the end of the year	22.77	213.20
(b)	Fair value of plan assets as at the end of the year	22.39	202.77
(c)	Net (liability) / asset recognized in balance sheet	(0.38)	(10.44)

(e) Amount for the year ended 31 March, 2020 recognised in the statement of profit and loss under employee benefit expenses.

Sr.No.	Particulars	2019-20	
		Leave Encashment	Gratuity
		Rs.	Rs.
I	Expenses Recognised in statement of Profit & Loss		
(a)	Current Service cost	1.58	12.52
(b)	Interest Cost	1.57	14.61
(c)	Expected return on plan assets	(1.56)	(15.40)
(d)	Net Actuarial gain recognised in the year	(1.34)	0.58
(e)	Expenses recognised in statement of Profit & Loss Account	0.25	12.31

(f) Amount for the year ended March 31, 2020 and March 31, 2019 recognised in the statement of other comprehensive income.

Sr.No.	Particulars	2019-20	
		Leave Encashment	Gratuity
		Rs.	Rs.
I	Actuarial Gain/Loss recognized		
(a)	Actuarial gain for the year -Obligation	1.34	(0.58)
(b)	Actuarial gain for the year - plan assets	-	-
(c)	Total gain for the year	(1.34)	0.58
(d)	Total actuarial (gain)/ loss included in other comprehensive income	(1.34)	0.58

(Rupees in Lakhs)

45 Derivatives

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under.

(a) Amount Receivable in Foreign Currency on account of the following :

Particulars	Foreign Currency	As on 31.03.2020	
		Amount in Foreign Currency	Rs.
Amount Receivables	EURO	14,56,390.74	1,194.24
	GBP	5,268.70	4.85
	USD	2,68,821.80	201.21

(b) Amount Payable in Foreign Currency on account of the following :

Particulars	Foreign Currency	As on 31.03.2020	
		Amount in Foreign Currency	Rs.
Amount Payable	EURO	1,30,777.58	107.19
	GBP	2,290.00	2.11
	USD	44,650.33	32.97

46 RESEARCH AND DEVELOPMENT EXPENDITURE

S.No.	Particulars	2019-20
		(Rs.in Lakhs)
(i)	Capital Expenditure included in Fixed Assets	7.32
(ii)	Contribution to Scientific Research Association	-
(iii)	Revenue Expenditure included in Employee Benefit	35.35
(iv)	Revenue Expenditure included in Other Expenses & depreciation on R&D Capital assets	35.83

47 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.

S.No.	Particulars	2019-20	
		With India	Outside India
(i)	Segment Revenue	17,635.55	4,582.73
(ii)	Segment Assets	17,615.99	1,456.84
(iii)	Addition Fixed Assets	448.89	152.88

(Rupees in Lakhs)

48 LEASES:

The company's major leasing arrangements are in respect of staff quarters and office premises taken on Leave and License basis. The aggregate lease rentals of Rs 6.16 Lakhs are charged as Rent and shown under the Note No. 38 "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.

The Company's major leasing arrangements are in respect of investment properties given on leave and licence basis. These leasing arrangements, which are cancellable, is for the period of 2 years and are usually renewable by mutual consent at mutually agreed terms and conditions. During the year both the flats were partly vacate. The aggregate rentals of Rs. 13.65 Lakhs collected as Licence Fees and shown under Note No. 31 "Other Income".

49 TRANSITION TO IND AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

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

The company has identified that there were no leases which are in the nature of Right-to-use and hence no lease liability is recognised in the financial statements.

50 FAIR VALUE MEASUREMENT-

Financial instruments by category

(Rs in Lakhs)

	March 31, 2020			
	FVTPL	FVOCI	Amortised cost	Total
Financial assets				
Investments				
- Compulsory convertible debentures	-	146.49	-	146.49
- Mutual Funds	20.22	-	-	20.22
- Trade receivables	-	-	4,495.88	4,495.88
-Cash and cash equivalents	-	-	119.15	119.15
-Bank Balances	-	-	162.51	162.51
-Other receivable	-	-	112.80	112.80
Total financial assets	20.22	146.49	4,890.34	5,057.04
Financial liabilities				
-Borrowings	-	-	2.80	2.80
-Trade payables	-	-	472.87	472.87
-Current Maturities of Long Term Borrowings	-	-	2,541.86	2,541.86
-Other payables	-	-	94.69	94.69
Total financial liabilities	-	-	3,112.22	3,112.22

(Rupees in Lakhs)

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the

(Rs in Lakhs)

Financial assets and liabilities measured at fair value At 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVOCI				
- Compulsory convertible debentures	-	146.49	-	146.49
Financial Investments at FVPL				
- Mutual Funds	20.22	-	-	20.22
Financial Investments at Amortised cost				
- Trade receivables			4,495.88	4,495.88
-Cash and cash equivalents			119.15	119.15
-Bank Balances			162.51	162.51
-Other receivable			112.80	112.80
Total financial assets	20.22	146.49	4,890.34	5,057.04
Financial liabilities				
-Borrowings			2.80	2.80
-Trade payables			472.87	472.87
-Current Maturities of Long Term Borrowings			2,541.86	2,541.86
-Other payables			94.69	94.69
Total financial liabilities	-	-	3,112.22	3,112.22

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent There are no transfers between levels 1 and 2 during the year.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

* the use of quoted market prices or dealer quotes for similar instruments

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

Valuation processes

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(Rupees in Lakhs)

- 51 The company has made investment in subsidiary amounting to Rs.24.98 Lakhs on 17th June, 2019 resulting into capital reserve of Rs 0.39 Lakhs on consolidation. Since the subsidiary has been acquired during the year, previous year figures have not been presented in this Consolidated Financial Statements.
- 52 The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standard (Ind AS 110) on Consolidated Financial Statements. The details of Subsidiary consolidated is as under:
 Name of Subsidiary: Modison Contacts Private Limited
 Country of Incorporation: India
 Extent of Holding: 100%
- 53 Additional information as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary

	Net Assets i.e Total assets minus total liabilities		Share in Profit/Loss		Share in Other Comprehensive	
	As % of consolidated net assets	(Rs. In lacs)	As % of consolidated profit or loss	(Rs. In lacs)	As % of consolidated OCI	(Rs. In lacs)
Modison Metals Limited	99.82%	14,683.92	99.97%	1,511.28	100%	-2.36
Subsidiaries						
Modison Contacts Private Limited	0.18%	25.81	0.03%	0.44	0%	0.00
Total	100.00%	14,709.73	100.00%	1,511.72	100%	-2.36
Adjustments arising out of consolidation		24.98		0.00		-
Minority Interest		Nil		Nil		Nil
Total		14,684.75		1,511.72		-2.36

54 IMPACT OF COVID-19

The group has assessed the possible effects that may result from the COVID-19 pandemic on the carrying amounts of receivables, intangibles, inventories, investments and other assets / liabilities. Based on the current indicators of economic conditions, the company expects to recover the carrying amount of all its assets. The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these consolidated financial statements and the company will continue to closely monitor any material changes to the economic conditions in the future.

FOR KANU DOSHI ASSOCIATES LLP
CHARTERED ACCOUNTANTS
 Firm's Registration Number: 104746W/W100096

KUNAL VAKHARIA
PARTNER
 MEMBERSHIP NO. 148916

G.L. MODI
DIRECTOR
 DIN: 00027373

RAJ KUMAR MODI
DIRECTOR
 DIN: 00027449

PLACE : MUMBAI
DATED : 20th July 2020

RAMESH KOTHARI
CHIEF FINANCIAL OFFICER

MANIKA ARORA
COMPANY SECRETARY