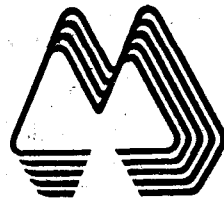
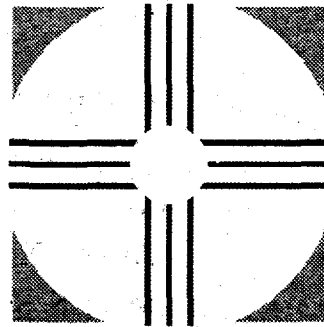


ANNUAL REPORT
2012-2013



Modern

INSULATORS LIMITED

BOARD OF DIRECTORS

Shri Sachin Ranka – Chairman
Shri S.B.L. Jain – Director
Shri R. Raniwala – Director
Shri D.B. Deshpande – Executive Director
Shri H.L. Sharma – Executive Director

COMPANY SECRETARY
Shri Anil Kumar Sharma

AUDITORS
M/s S.S. Kothari & Co.,
Chartered Accountants,
Jaipur - 302 001

REGISTERED OFFICE
A-4, Vijay Path,
Tilak Nagar,
Jaipur - 302 004 (Rajasthan)

CORPORATE HEAD QUARTER
68/69, Godavari,
Poachkhanwala Road,
Worli, Mumbai - 400 030

PLANT
Abu Road - 307 026
Distt. Sirohi
(Rajasthan)

NOTICE

Notice is hereby given that the 28th Annual General Meeting of **Modern Insulators Limited** will be held on Friday the 27th September, 2013 at 10:30 A.M. at Registered Office of the Company at A-4, Vijay Path, Tilak Nagar, Jaipur - 302 004 to transact the following business.

A. ORDINARY BUSINESS :

- (1) To consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Audited Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
- (2) To re-appoint Shri S.B.L. Jain as Director who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To re-appoint Shri H.L. Sharma as Director who retires by rotation and being eligible, offers himself for re-appointment.
- (4) To appoint Auditors and to fix their remuneration and in connection therewith to pass the following resolution with or without modifications, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224(1) of the Companies Act, 1956, M/s. S.S.Kothari & Co., Chartered Accountants, Jaipur be and are hereby reappointed as Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be determined by the Board of Directors of the Company."

B. SPECIAL BUSINESS :

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

"RESOLVED THAT Shri D.B. Deshpande, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 01/01/2013 and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 269, 198, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory

modifications or re-enactment thereof, for the time being in force) and further subject to approval of Central Government, if necessary and the provisions of Schedule XIII to the said Act, Company hereby accords its approval and consent to the appointment of Shri D.B. Deshpande as an Executive Director of the Company from 01/01/2013 for a period of three years on the terms & Conditions of remuneration as specified in the explanatory statement annexed hereto."

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

"RESOLVED THAT pursuant to the provision of Section 293 (1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, consent of the Company, be and is hereby accorded to the Board of Directors of the Company for already mortgaged/to be mortgaged and/or charged/to be charged present and/or future properties, which is situated at Abu Road, Rajasthan whether movable or immovable on first charge basis in favour of:

1. Central Bank of India for its working capital assistance of upto Rs. 4625 lacs (Fund based) & upto Rs. 2250 lacs (Non-fund based) and forward exchange contract limit upto Rs. 1200 Lacs respectively.
2. Punjab National Bank for its working capital assistance of upto Rs. 1175 lacs (Fund based) & upto Rs. 750 lacs (Non-fund based) respectively.

In connection with the working capital facilities already sanctioned /to be sanctioned by the working capital bankers to the Company to secure the said working capital facilities together with interest thereon, commitment charges, liquidated damages, costs, charges, expenses and other moneys payable by the Company in terms of letter of sanction(s)/memorandum of the terms and conditions entered into by the Company in respect of working capital facilities, such security, to rank as the case may be to mortgage and/or charges already created or to be created in future by the Company or in such manner as may be agreed to by the banks and as may be thought expedient by the Board of Directors of the Company."

By Order of the Board

Place : MUMBAI
 Date : 28th June, 2013

(ANIL KUMAR SHARMA)
 Company Secretary

NOTES:

1. The Explanatory statement pursuant to Section 173(2) and/or any other applicable provisions of the Companies Act, 1956 in respect of Special Business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT TO BE A MEMBER.
3. The proxy should be deposited at the Registered Office of the Company not less than FORTY EIGHT hours before the commencement of the meeting.
4. The Ministry of Corporate affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notices/documents including Annual Report can be sent by e-mail to its members. To support this objective of the Government, members are requested to register their e-mail addresses with the registered office of the Company.
5. The Share transfer books and Register of members shall remain closed from 24.09.2013 to 27.09.2013 (both days inclusive).

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT
(Pursuant to Section 173(2) of The Companies Act, 1956)**

Item No. 5

Shri D.B. Deshpande was appointed as an Additional Director of the Company with effect from 01/01/2013 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956 he holds office as a Director only upto the date of the ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice has been received from a member signifying his intention to the proposed appointment of Shri D.B. Deshpande as a Director liable to retire by rotation. The Board considers it desirable that the Company should continue to avail of his services.

None of Directors, except Shri D.B. Deshpande, is concerned or interested in the resolution.

Item No. 6

Shri D.B. Deshpande was appointed as an Executive Director of the Company with effect from 01/01/2013 for a period of 3 years by the Board of Directors of the Company. The terms and conditions of payment of remuneration to Shri D.B. Deshpande as an Executive Director of the Company have been approved by the Board as well as by the Remuneration Committee.

The terms and conditions of remuneration referred to above are as under:-

(A) Basic Salary :

- (i) Rs. 3,00,000/- (Rupees Three Lacs-only) per month from 1/1/2013 to 31/3/2013.
- (ii) Increase of not exceeding Rs. 1,00,000/- (Rupees One Lac only) per month for the period from 1/4/2013 to 31/3/2014.
- (iii) Increase of not exceeding Rs. 1,00,000/- (Rupees One Lac only) per month for the period from 1/4/2014 to 31/3/2015.
- (iv) Increase of not exceeding Rs. 1,00,000/- (Rupees One Lac only) per month for the period from 1/4/2015 to 31/12/2015.

(B) Perquisites and allowances:

- (i) Furnished residential accommodation with water, gas, electricity etc. monetary value of which will be evaluated as per rule 3(a) of the Income Tax Rules, 1962. The above is subject to the following:-
 - (a) An amount equivalent to 10% of salary will be deductible every month towards rent for said furnished accommodation.

- (b) The expenditure incurred by the Company on gas, electricity, water and furnishing will be evaluated as per the Income Tax Rules, 1962. This will however, be subject to a ceiling of 10% of the salary paid to him.
- (ii) Medical benefits for self and family, reimbursement of expenses actually incurred, the total cost of which to the Company shall not exceed 5% of the salary as per Company's Rules.
- (iii) Leave travel concession for self, wife and minor children once a year to and from any place in India subject to the condition that only actual fare and no hotel expenses etc. will be allowed as per Company's Rules.
- (iv) Company's contribution towards Provident Fund as per Company's rules but not exceeding 12% of the salary.
- (v) Gratuity not exceeding half month's salary for each completed year of service as provided in Gratuity Act.
- (vi) Free use of car with driver, for Company's business.
- (vii) Free Telephone facility at residence. All personal long distance calls shall be billed by the Company.
- (viii) Encashment of leaves as per Company's Rules.

(C) He shall not be paid any sitting fees for attending the meetings of Board of Directors or Committee thereof.

None of the Directors, except Shri D.B. Deshpande is concerned or interested in the said resolution in item No. 6. The details set out herein above may be treated as an abstract under section 302 of the Companies Act, 1956.

Item No. 7

Working capital bankers have sanctioned enhanced limits on the basis of creation of first charge on the fixed assets of the Insulator division of the Company.

As the mortgage or charge on properties to secure the working capital facilities on first charge basis may be regarded as disposal of the whole or substantially the whole of the Insulators division of the Company, it is considered necessary to seek members approval pursuant to the provisions of section 293(1)(a) of the Companies Act, 1956 for mortgage or charge already created/ to be created.

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

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting Annual Report and audited accounts for the year ended on 31st March, 2013.

1. FINANCIAL RESULTS

	(₹ in crores)	
	Year ended 31.03.2013	Year ended 31.03.2012
Profit Before Tax	20.76	22.12
Less : Deferred Tax	(0.38)	(0.30)
Taxes in respect of earlier years	-	0.02
Profit for the year after tax	21.14	22.40

2. OPERATIONS

The overall performance of the Company has been satisfactory inspite of challenging business environment. The net turnover for the year has been ₹ 392 crores as against ₹ 383 crores in previous year and net profit after tax ₹ 21 crores for the year as against ₹ 22 crores in previous year. Overall profitability has slightly impacted mainly due to lower profits in Yarn Division on account of adverse market conditions. Keeping in view the need to conserve the Company's resources for meeting the enhanced working capital requirement and balancing the manufacturing equipments, your directors deemed it prudent not to recommend any dividend for the year.

INSULATORS DIVISION

The division has achieved a net turnover of ₹ 242.66 crores during the year under review. The operations of Insulator division have resulted in a profit before interest & depreciation of ₹ 36.11 crores, inspite of unprecedented price rise experienced in fuel, key raw materials, power & various other inputs and stiff competition from cheaper imports from China. Company's vision to broaden the scope of manufacturing of all kinds of extra high voltage insulators for electrical equipments has borne the fruits witnessed by the performance of the company during the year under review.

YARN DIVISION

This division has achieved a net turnover of ₹ 148.96 crores during the year under review. The operations have resulted in a profit before interest & depreciation of ₹ 5.39 crores. The period under review was volatile for the Polyester Industry due to poor demand in domestic as well as international market, oversupply of finished goods compared to overall demand and abnormal hike in the prices of inputs like raw material, power etc.

3. EXPORTS

The company is one of the major exporter of H.T. Porcelain Insulators from India. The Company's sustained efforts in exporting its products inspite of stiff competition with the globally giant players (particularly Chinese) in Insulator Industry resulted in achieving higher export turnover of ₹ 76 crores during the year under review as compared to ₹ 66 crores in previous year. The company possesses ability to cater to diverse needs of global customers and further concentrating to strengthen its presence in all corners of global market. This would help company in getting optimum utilization of its productive resources. The Company also continues to have Trading House status. Your company is a regular supplier to all the major multinational OEMs for their world wide requirements of quality porcelain insulators. Repeat orders from global electrical equipment manufacturers and efforts for entry in many new countries would further increase the Company's presence in the export market.

4. FUTURE PROSPECTS

Your Company continuous to be a leader in the manufacture of High Voltage Insulators in the Country which is a testimony of Company's efforts and performance. Despite stiff competition from other countries, international buyers show interest to your company's product for its quality & timely delivery and hence your directors are confident of achieving better working results in the coming years. Your Company is having well equipped R & D laboratory recognised by Govt. of India, Ministry of Science & Technology which takes care of the stringent quality requirements of customers and ensure quality and reliability in each and every product manufactured. In-house R&D activities have a thrust on development to replace expensive input raw material & to further bring consistency in quality of the products under manufacture. Our country is heading towards 1200 KV transmission lines to minimise transmission losses, which will create major demand for insulators. Your directors are pleased to inform that Insulator supplied by the company for 1200 KV transmission lines have been successfully commissioned. Finance Ministry has imposed safeguard duty @ 35% on import of insulators from China w.e.f. 20.12.2012 to safeguard interest of domestic insulator manufacturers from cheaper imports. In view of this & looking to the present scenario in power sector, the business prospects for Insulator Industry in general and for your Company in particular are encouraging.

5. AMALGAMATION OF MODERN TERRY TOWELS LIMITED WITH THE COMPANY

Modern Terry Towels Limited had filed Draft Rehabilitation Scheme with Hon'ble BIFR for its amalgamation with your company by taking deemed date of amalgamation as 1.1.2008 and same is under consideration for circulation and thereafter for sanction by Hon'ble BIFR.

6. DEMERGER OF YARN DIVISION OF THE COMPANY

Requisite application has been filed under section 391 to 394 of the Companies Act, 1956 for sanction of the scheme before the Hon'ble High Court of Rajasthan at Jaipur. The Company has received approval from Shareholders, Secured & Unsecured creditors for demerger of yarn division of the Company. Further, Regional Director has also submitted his report to the Hon'ble High Court and now the matter will be heard in due course for considering report of Regional Director and for approval of the scheme. The demerger would result in benefit to the shareholders, creditors, employees and general public.

7. SUBSIDIARY COMPANY

The statement under Section 212 of the Companies Act, 1956 in respect of Motile Power Trade Pvt. Ltd. and Gujarat Polyfils (India) Ltd., subsidiaries of the Company along with audited accounts are attached.

8. DIRECTORS

During the year under review Shri R.K. Ladia has resigned and Shri R.N. Goyal ceased from the directorship of the company due to his sudden demise. Further Shri R.R. Maheshwari has resigned from the Directorship of the Company w.e.f. 01/05/2013. The Board places on record its appreciation for the valuable contribution made by Shri R.K. Ladia, Shri R.R. Maheshwari and Shri R.N. Goyal during their tenure as Director of the Company. Shri S.B.L. Jain and Shri H.L. Sharma are liable to retire by rotation and being eligible, offer themselves for reappointment. Appropriate resolutions for the reappointment of the aforesaid Directors are being moved at the ensuing Annual General Meeting, which the Board recommends for your approval.

9. AUDITORS

M/s. S.S. Kothari & Co., Chartered Accountants, Jaipur retire at the forthcoming Annual General Meeting. Your Directors recommend their appointment as Auditors of the Company for the year 2013-14. The observations made by Auditors are self explanatory and have been dealt with in the notes forming part of the financial statements and hence need no further clarifications.

10. INDUSTRIAL RELATIONS & PARTICULARS OF EMPLOYEES

Your Directors sincerely appreciate the workers, staff and officers for putting in their best efforts. The Company has enjoyed healthy and cordial industrial relations throughout the period under review. The information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, is provided in annexure forming part of the report. However, as per the provision of section 219(1)(b)(iv) of the said Act, the report and accounts are being sent to all the members of the company excluding the aforesaid annexure. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

11. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, the Directors would like to state that:-

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies 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 at the end of the financial year and of the profit of the Company for the year under review;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;
- the Directors have prepared the annual accounts on a going concern basis.

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

The statement of particulars relating to energy conservation, technology absorption and foreign exchange earnings and outgo as required in accordance with Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 (A), 2(B) and 2 (C) of the Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

13. CONSTITUTION OF AUDIT COMMITTEE

The Board of Directors has constituted the Audit Committee of Directors to exercise powers and discharge functions as stipulated in section 292A of the Companies Act, 1956. The present Audit Committee consists of member directors as follows:-

Shri R. Raniwala (Chairman)
 Shri S.B.L. Jain
 Shri H.L. Sharma

14. ACKNOWLEDGEMENTS

The Board places on record its sincere thanks and gratitude for the assistance and continued co-operation that the Company has been receiving from the executives, staff, workers, financial Institutions, working capital bankers and Central as well as State Government.

ON BEHALF OF THE BOARD

Place : Mumbai
 Dated : 28th June, 2013

(SACHIN RANKA)
 Chairman

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217 (1)(e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A. TECHNOLOGY ABSORPTION:

1. Research and Development (R&D):

- a) Specific area in which R & D carried out by the Company:
- Process optimization & improvement to conserve natural resources viz. energy, fuels, water & key input materials by minimizing process loss, reusing & recycling.
 - Exploring various high grades of alternative indigenous raw materials for cost optimisation.
 - Development of improved grey glaze recipe for normal body to reduce rework.
 - Development of Low Feldspar Bauxite body with coarse residue control to improve recovery.
 - Development of an improved brown glaze suitable for both normal as well as Bauxite body.
 - Reuse of fired biscuit gravel (both oversize & undersize) in preparing green gravel thus saving on the usage of dry body mass.
 - Introducing low thermal mass 'Pyroblocks' in place of heavy refractory insulation bricks to achieve better fuel economy & thermal efficiency.
 - Introducing the concept of electric drying of critical insulators to save rejections.
- b) Benefits as a result of the above R&D:
- Uninterrupted plant operations at optimum level.
 - Improvement in quality & reliability of product.
 - Entry in new product segment.
 - Better fuel economy & thermal efficiency.
 - Development of alternate/low cost raw material source.
- c) Future plan of action:
- Further development of low temperature bauxite body & matching glaze with improved process yield.
 - Development of suitable domestic replacement for imported ball clays.
 - Development of sintered stain for existing brown glaze made from mixture of colouring oxides.
 - Further development of alternate source of china clays for smoother & cost effective operation.
 - Development of Electric porcelain insulators with reduction of maturing temperature.
 - Automation in material handling.
- d) Expenditure on R&D:
- | | |
|--|---------------|
| - Capital | |
| - Recurring | ₹ 409.61 lacs |
| - Total | ₹ 409.61 lacs |
| - Total R&D expenditure, as %age of total turnover | 0.95% |

2. Technology Absorption, Adoption and Innovation:

- a) Efforts, in brief made towards technology absorption, adoption and innovation: -
- Synchronization of supply feeder to avoid second tripping in kiln during load changeover from DG to RSEB, thereby saving on fuel, power consumption & extension of kiln cycle time.
 - Street lights have been converted to LED lights & in colony with CFL lights.
 - Transparent roofing installed to ensure illumination by sunlight during day time saving power consumption
 - Introduced LNG gaseous fuel for firing with fuel economy.
 - Introduced proportional valve for servo valve for Zeidler 1 & 3 to reduce cost of maintenance & downtime.
 - Most of the dryers have been fitted with insulated chimneys.
 - Introduced in-house automation on porosity testing machine.
 - Additional propeller fan introduced in buffer tank of all SBS blungers to improve SBS slurry consistency.
- b) Benefits derived as a result of above efforts:
- Improvement in efficiency & productivity.
 - Reduction in firing cycle time & cost saving with improved productivity.
 - Development of improved product.
 - Reduction in overall product cost.

B. FOREIGN EXCHANGE EARNING & OUTGO:

The company has earned during the year foreign exchange of ₹ 7571.29 lacs at F.O.B. price against an outgo of ₹ 1208.11 lacs.

INDEPENDENT AUDITORS' REPORT

To the Members of
Modern Insulators Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Modern Insulators Ltd.** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

- (a) Provision for taxation (including interest) estimated at ₹ 624.69 lacs for current year (upto the year ₹ 5939.72 lacs) has not been made in accounts, in view of proposed amalgamation proceedings awaiting approvals. Meanwhile Income Tax department has completed assessment for Assessment Years 2008-09 & 2009-10 wherein substantive orders have been passed allowing losses pertaining to proposed amalgamation and at the same time protective assessment orders have been made (presuming that no amalgamation had taken place) with demand of ₹ 1611.16 lacs which shall be effective if the amalgamation scheme is not sanctioned. The Department has further completed assessment for the Assessment Year 2010-11 and has raised demand of ₹ 961.47 lacs in respect of disallowance of losses pertaining to proposed amalgamation pending approval from concerned

authorities. The company has filed appeal against the said order before CIT (Appeals).

- (b) Balances of Trade Payables & Trade Receivables are subject to reconciliations/confirmations.
- (c) The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in "Basis for Qualified opinion" paragraph, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by Section 227(3) of the Act, we report that:
 - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - Except for the effect of the matters described in the "Basis for Qualified Opinion" paragraph, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement, dealt with by this report, comply with the Accounting Standards referred to in section 211(3C) of the Act;
 - On the basis of the written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **S.S. KOTHARI & CO.**
 Chartered Accountants
 (Firm Registration No. 001064C)

(**B.L. VERMA**)
 PARTNER

Place : Jaipur
 Date : 29th June, 2013

(Membership No. 10900)

ANNEXURE FORMING PART OF THE AUDITORS' REPORT

Referred to in the report of even date of the Auditors to members of **MODERN INSULATORS LIMITED**.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except furniture & fixtures for which detailed records are not maintained.
- (b) As per information and explanations given to us, most of the fixed assets have been physically verified during the year by management in accordance with a phased programme of verification at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of the fixed assets.
- (ii) (a) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) According to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventories. As explained to us, the discrepancies noticed on physical verification between the physical stocks and the book records were not material.
- (iii) (a) The company had given loans to two subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year was ₹ 4200 lacs and the year end balance is ₹ 3620 lacs (Previous year ₹ 4500 lacs & ₹ 4200 lacs respectively). The said loans are without interest and principal amounts are repayable on demand.
- (b) The company has given interest-free loan/advance of ₹ 2245.15 lacs to a company covered under section 301 of companies Act, 1956 in view of proposed amalgamation awaiting approvals. Maximum amount outstanding during the year was ₹ 2789.85 lacs and the year end balance was ₹ 2245.15 lacs (previous year ₹ 2245.15 lacs & ₹ 2245.15 lacs respectively).
- (c) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchases of inventory, fixed assets and for the sale of goods. On the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across, nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- (v) (a) Based on audit procedures applied by us and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements, referred to in section 301 of Companies Act 1956, exceeding Rupees Five lacs in respect of each party during the year.
- (vi) The Company has not accepted any deposits from the public during the year.
- (vii) In our opinion, the internal audit carried out during the year commensurates with the size of the company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, service tax, sales-tax, wealth tax, custom duty, excise duty and other statutory dues applicable to it and no undisputed statutory dues as noted above is outstanding for a period of more than six months from the date it became payable. The company has not paid/provided income tax (refer comments under the Head "Basis for Qualified Opinion" in Auditors' Report and Note No. 30 of Financial Statement).

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income tax, sales tax, excise duty and Service Tax etc. as at 31st March-2013 which have not been deposited on account of dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act 1956 and RV Act 2003	CST and VAT	314.66	2007-08	Rajasthan Tax Board, Ajmer
		133.28	2008-09	Rajasthan Tax Board, Ajmer
		9.42	2009-10	Assistant Commissioner Commercial Taxes, Pali
Income Tax Act 1961	Income Tax	961.47*	2009-10	CIT (Appeals), Jaipur
Central Excise Act 1944	Excise Duty & Service Tax	99.69	Various years from 2005-06 to 2010-11	Central Excise and Service Tax Appellate Tribunal, Delhi
		58.74	2009-10 to 2012-13	Commissioner Central Excise (Appeals), Jaipur
		91.09	2004-05 to 2009-10	Additional Commissioner, Central Excise, Jaipur / Joint Commissioner Central Excise, Jodhpur

*Refer Note No. 30 of Financial Statement.

- (x) The Company does not have accumulated losses as at the end of the financial year and it has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit and as per information and explanations given by the management, there has been no default in repayment of dues to any financial institution or bank or debenture holders during the year.
- (xii) Based on our examination of books of account and information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statutes applicable to chit fund, nidhi or mutual benefit fund/society are not applicable to the company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments and hence requirement of para 4(xiv) is not applicable.
- (xv) As per information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The company has not taken any fresh term loan during the year under review.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) No allotment of shares has been made by the company during the year.
- (xix) The company has not issued any debenture during the year covered by audit.
- (xx) During the year the company has not raised any money by way of public issue.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **S.S. KOTHARI & CO.**
 Chartered Accountants
 (Firm Registration No. 001064C)

(B.L. VERMA)
 PARTNER
 (Membership No. 10900)

Place : Jaipur
 Date : 29th June, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in lacs)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	1	2174.35	2174.35
Reserves & Surplus	2	18311.61	16198.24
		<u>20485.96</u>	<u>18372.59</u>
Non-Current Liabilities			
Long-term borrowings	3	680.00	3042.26
Deferred Tax Liability (Net)	4	1314.41	1352.16
Other long term liabilities	5	833.28	672.50
Long term provisions	6	744.04	634.24
		<u>3571.73</u>	<u>5701.16</u>
Current Liabilities			
Short term borrowings	7	4964.59	3802.94
Trade payables	8	2903.66	2169.94
Other current liabilities	9	2997.73	3930.81
Short term provisions	6	241.57	235.37
		<u>11107.55</u>	<u>10139.06</u>
	Total	<u>35165.24</u>	<u>34212.81</u>
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	10	13172.50	13366.36
Intangible assets	10	12.86	15.78
Capital work-in-progress		186.42	210.77
		<u>13371.78</u>	<u>13592.91</u>
Non-current investments	11	122.05	122.05
Long term loans and advances	12	5478.56	6055.62
		<u>18972.39</u>	<u>19770.58</u>
Current assets			
Current investments	13	831.23	850.00
Inventories	14	6310.66	5223.05
Trade receivables	15	5705.73	4833.80
Cash and bank balances	16	607.93	1067.14
Short term loans and advances	12	2568.53	2344.86
Other current assets	17	168.77	123.38
		<u>16192.85</u>	<u>14442.23</u>
	Total	<u>35165.24</u>	<u>34212.81</u>

Significant Accounting Policies**Other Notes on Financial Statement**

25 to 37

As per our report of even date attached

For **S.S. KOTHARI & CO.**
 Chartered Accountants
 (Firm Registration No. 001064C)

(B.L. VERMA)
 Partner
 (Membership No. 10900)

Place : Jaipur

Date : 29th June, 2013

For and on behalf of the Board

Sachin Ranka - Chairman

S.B.L. Jain
 R. Raniwala
 H.L. Sharma
 Directors

Anil Kumar Sharma - Company Secretary

Place : Mumbai

Date : 28th June, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

Particulars	Note No.	Year ended 31.03.2013	Year ended 31.03.2012
INCOME			
Revenue from Operations	18	39162.02	38275.72
Other Income	19	481.08	553.06
Total Revenue		39643.10	38828.78
EXPENSES			
Cost of materials consumed	20	18470.67	18290.87
Changes in inventories of finished goods & stock in process	21	(825.99)	231.51
Employee benefits expense	22	3152.34	2715.11
Finance cost	23	1270.46	1279.06
Depreciation and amortization expense	10	803.42	777.36
Other expenses	24	14696.37	13322.74
Total Expenses		37567.27	36616.65
Profit before tax		2075.83	2212.13
Tax Expense			
Deferred tax		(37.75)	(30.12)
Tax in respect of earlier years (Net)		0.21	2.24
		(37.54)	(27.88)
Profit/(Loss) for the year		2113.37	2240.01
Earning per equity share (₹)			
Basic & Diluted	34	9.72	10.30
Significant Accounting Policies			
Other Notes on Financial Statement	25 to 37		

As per our report of even date attached

For **S.S. KOTHARI & CO.**
 Chartered Accountants
 (Firm Registration No. 001064C)

(B.L. VERMA)
 Partner
 (Membership No. 10900)

Place : Jaipur
 Date : 29th June, 2013

For and on behalf of the Board

Sachin Rañka – *Chairman*

S.B.L. Jain
 R. Raniwala
 H.L. Sharma
Directors

Anil Kumar Sharma – *Company Secretary*

Place : Mumbai
 Date : 28th June, 2013

SIGNIFICANT ACCOUNTING POLICIES

- i) **Basis of preparation of financial statements**
 (a) The financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting principles in India, the applicable accounting standards and as per provisions of the Companies Act, 1956.
 (b) Income & expenditure are recognised and accounted for on accrual basis.
- ii) **Use of Estimates**
 The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.
- iii) **Fixed Assets**
 (a) Fixed Assets are stated at cost less depreciation.
 (b) Direct expenses as well as clearly identifiable indirect expenses, incurred on project during the period of construction are being capitalised to the respective assets.
 (c) CENVAT credit and other recoverable taxes on capital goods are accounted for by reducing the cost of capital goods.
- iv) **Depreciation**
 Depreciation on fixed assets is provided as follows:
 (a) On straight line method at the revised rates and in the manner specified in schedule XIV of the Companies Act, 1956 as amended vide notification No. GSR-756 (E) dated 16th December 1993 issued by the Department of Company Affairs. Depreciation has been calculated on Plant and Machinery as continuous process plant based on expert's opinion.
 (b) Assets costing less than ₹ 5000/- acquired prior to 31.10.1992 are depreciated at old rates whereas such assets after that date have been fully depreciated.
 (c) No amount has been written off from leasehold land. The same will be charged to the Profit & Loss Account only in the year in which the respective lease period expires.
- v) **Investments**
 Long Term Investments are stated at cost. Provision for diminution in the value of Long term Investments is made only if such decline is other than temporary.
- vi) **Inventories**
 (a) Raw materials, Stores & spares and stock in process are valued at cost.
 (b) Finished Stock is valued at lower of cost or estimated net realisable value.
 (c) Waste is valued at estimated net realisable value.
 Cost of raw materials & stores is computed on weighted average basis. Finished goods and stock in process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The net realisable value of leftover stock out of the products manufactured as per customers' specifications are estimated at nominal value.
- vii) **Revenue Recognition**
 (a) Sale of goods is recognised on the basis of despatch. Sales is shown inclusive of excise duty.
 (b) Export entitlements under the Duty Entitlement Pass Book Duty Draw Back Scheme are recognised in the Profit & Loss Account when the right to receive credit as per the terms of the scheme is established in respect of the exports made.
- (c) Claims of customers & others are accounted for as and when settled.
- viii) **Excise Duty/Cenvat**
 (a) Excise duty is accounted for on the basis of payments made in respect of goods cleared and provision made for goods lying in bonded warehouse.
 (b) The Cenvat credit in respect of excise duty is utilised for payment of excise duty on goods despatched. The unutilised Cenvat credit is carried forward in the books.
- ix) **Borrowing cost**
 Borrowing costs which are attributable to acquisition or construction of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is one which necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
- x) **Employee Benefits**
 (a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
 (b) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.
- xi) **Foreign Currency Transactions**
 Transactions in foreign currency are recorded on the basis of exchange rates prevailing on the date of their occurrence. Foreign currency assets and liabilities are converted into rupee equivalent at the exchange rates prevailing on the Balance Sheet date and exchange difference arising therefrom is charged to the revenue.
- xii) **Prior year adjustments**
 Income and expenditure pertaining to prior period are accounted for under respective heads of accounts in profit and loss account. Effect of such amount is disclosed in notes.
- xiii) **Research and Development**
 Revenue expenditure on Research and Development is charged as expenses in the year in which they are incurred. Capital expenditure is included in Fixed Assets and depreciation is provided at the respective applicable rates.
- xiv) **Liability for import duty, if any, on export obligation yet to be completed under EPCG Scheme is accounted for on expiry of obligation period/extension thereof**
- xv) **Taxation**
 Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
- xvi) **Impairment of Assets**
 An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to statement of profit & loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimates of recoverable amount.
- xvii) **Provisions, Contingent Liabilities and Contingent Assets**
 Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes to the accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013
1. SHARE CAPITAL

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
AUTHORISED		
2,50,00,000 (Previous Year 2,50,00,000) Equity shares of ₹ 10/- each	2500.00	2500.00
5,00,000 (Previous Year 5,00,000) Preference shares of ₹ 100/- each	500.00	500.00
	<u>3000.00</u>	<u>3000.00</u>
ISSUED, SUBSCRIBED AND PAID-UP		
2,17,43,500 (Previous Year 2,17,43,500) Equity shares of ₹ 10/- each fully paid-up	<u>2174.35</u>	<u>2174.35</u>
1.1 The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.		
1.2 Details of shareholders holding more than 5% of the total number of shares		
Name of the Share holder	As at 31.03.2013	As at 31.03.2012
	No. of Shares	% Holding
Ajaymeru Trading & Investments Pvt. Ltd.	5656915	26.02
Pride Mercantiles Pvt. Ltd.	4496301	20.68
1.3 Reconciliation of Number of Shares		
Equity shares at the beginning of the year	21743500	21743500
Equity shares at the end of the year	<u>21743500</u>	<u>21743500</u>

2. RESERVES AND SURPLUS

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
Capital Reserve		
As per last balance sheet	25.00	25.00
Debentures Redemption Reserve		
As per last balance sheet	-	-
Add : Transferred from Statement of Profit & Loss	320.00	-
	<u>320.00</u>	<u>-</u>
Statement of Profit & Loss		
As per last balance sheet	16173.24	13933.23
Add: Profit for the year	2113.37	2240.01
Less : Transferred to Debenture Redemption Reserve	320.00	-
Surplus in the Statement of Profit & Loss	<u>17966.61</u>	<u>16173.24</u>
Total	<u>18311.61</u>	<u>16198.24</u>

3. LONG TERM BORROWINGS

(₹ in lacs)

	As at 31.03.2013		As at 31.03.2012	
	Non-current	Current	Non-current	Current
Secured				
Debentures				
Zero Coupon secured Redeemable Debentures	680.00	600.00	1750.00	250.00
Advance subscription towards Zero Coupon secured Redeemable Debentures	-	-	-	748.00
	<u>680.00</u>	<u>600.00</u>	<u>1750.00</u>	<u>998.00</u>
Term loans from				
Financial Institution	-	960.00	1280.00	1264.00
Others	-	12.26	12.26	24.46
	<u>-</u>	<u>972.26</u>	<u>1292.26</u>	<u>1288.46</u>
Total	<u>680.00</u>	<u>1572.26*</u>	<u>3042.26</u>	<u>2286.46*</u>

*Considered in other current liabilities.

- 3.1 Zero Coupon Secured Redeemable Debentures are Secured by way of second charge of all the immovable properties of yarn division. Term loan from financial institution is secured by (i) Exclusive first charge on all the immovable and movable fixed assets of yarn division; (ii) First charge on all the assets of Gujarat Polyfils (India) Ltd. (Subsidiary Company); (iii) Personal guarantee of one of directors; (iv) Corporate guarantee from Gujarat Polyfils (India) Ltd. and (v) Pledge of all shares of Gujarat Polyfils (India) Ltd. Other Loans are secured against hypothecation of the specific assets.
- 3.2 Redemption of Zero Coupon Secured Redeemable Debentures to commence from 1st October 2011 in quarterly instalments till entire redemption is completed on or before 30.09.2015. Term loan from financial institution is repayable in quarterly instalments and last instalment due in January-2014. Rate of interest 13% p.a. (Previous year 13% p.a.). Other loans are repayable as per various payment schedules. Last instalment due in November-2013. Rate of Interest 8.08% to 9.09% p.a. (Previous year 8.08% to 9.09% p.a.).

4. DEFERRED TAX LIABILITY (NET)

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
(a) Deferred Tax Liability		
Depreciation	1920.87	1854.33
(b) Deferred Tax Asset		
Provisions allowable for Tax purpose on payment basis	554.64	462.57
Others (Provision for doubtful debts)	51.82	39.60
	<u>606.46</u>	<u>502.17</u>
Net Deferred Tax Liability	<u>1314.41</u>	<u>1352.16</u>

5. OTHER LONG TERM LIABILITIES

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
Entry Tax Payable	<u>833.28</u>	<u>672.50</u>

6. PROVISIONS

(₹ in lacs)

	As at 31.03.2013		As at 31.03.2012	
	Long term	Short term	Long term	Short term
Provisions for employee benefits				
For Gratuity	614.02	81.14	519.57	64.19
For Unavailed Leaves	<u>130.02</u>	<u>51.02</u>	<u>114.67</u>	<u>54.79</u>
	744.04	132.16	634.24	118.98
Other provisions				
For excise duty on closing finished stock	-	109.41	-	116.39
Total	<u>744.04</u>	<u>241.57</u>	<u>634.24</u>	<u>235.37</u>

7. SHORT TERM BORROWINGS

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
Secured		
Bank borrowings for working capital	<u>4964.59</u>	<u>3802.94</u>

7.1 Borrowings for working capital are secured by hypothecation of stocks, book debts and first charge on fixed assets of Insulator Division and are personally guaranteed by some of the directors.

8. TRADE PAYABLES

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
Trade Payables	<u>2903.66</u>	<u>2169.94</u>

8.1 Balances of trade payables are subject to reconciliations/confirmations.

8.2 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

9. OTHER CURRENT LIABILITIES

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
Current maturities of long term borrowings (Refer note No.3)	1572.26	2286.46
Interest Accrued but not due	-	2.32
Statutory dues	63.33	140.22
Payable towards capital goods	93.95	86.42
Advance received from customers	234.29	210.49
Sundry deposits	104.14	118.28
Other payable*	929.76	1086.62
Total	<u>2997.73</u>	<u>3930.81</u>

* Includes employees dues and liabilities for expenses etc.

10. FIXED ASSETS

(₹ in lacs)

PARTICULARS	TANGIBLE ASSETS							INTANGIBLE ASSETS
	Land	Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	TOTAL	Computer Software
As at 01.04.2012	957.40	3320.39	17117.52	210.40	178.19	201.66	21985.56	65.05
Addition	78.73	111.83	390.80	18.19	5.83	24.98	630.36	-
Deduction	-	-	-	3.82	0.36	38.74	42.92	-
As at 31.3.2013	1036.13	3432.22	17508.32	224.77	183.66	187.90	22573.00	65.05
As at 01.04.2011	953.56	3188.93	16876.41	204.41	162.06	206.59	21591.96	59.05
Addition	3.84	131.46	257.42	17.16	22.10	28.79	460.77	6.00
Deduction	-	-	16.31	11.17	5.97	33.72	67.17	-
As at 31.3.2012	957.40	3320.39	17117.52	210.40	178.19	201.66	21985.56	65.05

DEPRECIATION	Land	Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	TOTAL	Computer Software
As at 01.04.2012	-	832.08	7487.92	111.84	132.91	54.45	8619.20	49.27
Charge for the year	-	98.45	664.72	12.51	6.13	18.69	800.50	2.92
Deduction	-	-	-	0.67	0.21	18.32	19.20	-
As at 31.3.2013	-	930.53	8152.64	123.68	138.83	54.82	9400.50	52.19
As at 01.04.2011	-	737.31	6841.66	106.71	132.74	54.97	7873.39	47.08
Charge for the year	-	94.77	646.26	10.78	4.55	18.81	775.17	2.19
Deduction	-	-	-	5.65	4.38	19.33	29.36	-
As at 31.3.2012	-	832.08	7487.92	111.84	132.91	54.45	8619.20	49.27

NET BLOCK	Land	Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	TOTAL	Computer Software
As at 31.3.2013	1036.13	2501.69	9355.68	101.09	44.83	133.08	13172.50	12.86
As at 31.3.2012	957.40	2488.31	9629.60	98.56	45.28	147.21	13366.36	15.78

11. NON-CURRENT INVESTMENTS

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
LONG TERM INVESTMENTS (AT COST)		
Trade Investments (Unquoted)		
a. Investment in Govt. securities		
National Saving Certificates (Deposited with Govt. Department)	0.01	0.01
b. Investment in shares of subsidiary companies*		
Motile Power Trade Private Ltd. (43000 Equity shares of ₹ 10/- each, fully paid up; Previous year 43000 Equity shares of ₹ 10/- each, fully paid up)	4.30	4.30
Gujarat Polyfils (India) Ltd. (49400 Equity shares of ₹ 10/- each, fully paid up; Previous year 49400 Equity shares of ₹ 10/- each, fully paid up) *Pledged with IFCI Ltd in terms of agreements.	4.94	4.94
c. Investment in shares of other company		
VS Lignite Power Pvt. Ltd. ** (385186 Class 'A'- Equity shares of ₹ 10/- each, fully paid up; Previous year 385186 Class 'A'- Equity shares of ₹ 10/- each, fully paid up) (742814 Class 'A'- 0.01% Cumulative & Redeemable Preference shares of ₹ 10/- each, fully paid up; Previous year 742814 Class 'A'- 0.01% Cumulative & Redeemable Preference shares of ₹ 10/- each, fully paid up)	38.52 74.28	38.52 74.28
** Lying with said company under lien.		
Total	122.05	122.05

12. LOANS AND ADVANCES

(₹ in lacs)

	As at 31.03.2013		As at 31.03.2012	
	Long term	Short term	Long term	Short term
Loans and Advances to related parties (Refer Note No.28)	2245.15	-	2245.15	-
Loans to Subsidiary Companies (Refer Note No.29)	2520.00	1100.00	3100.00	1100.00
Capital Advances	268.48	-	265.59	12.62
Income Tax Advance	-	456.01	-	456.01

Tax Deducted at Source	-	205.11	-	176.92
Balance with Government Authorities	-	138.05	-	127.51
Prepaid Expenses	-	111.29	-	85.70
Loans to employees	-	46.68	-	30.48
Advance to Suppliers	-	329.37	-	247.35
Deposits	444.93	166.99	444.88	95.82
Others	-	15.03	-	12.45
Total	5478.56	2568.53	6055.62	2344.86

13. CURRENT INVESTMENTS

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
Non-trade Investments (Quoted)		
a. Birla Sun Life Cash Manager - Institutional Plan - Growth (Previous Year 393703.002 Units)	-	700.00
b. Motilal Oswal MOST 10 Year Gilt Fund - Growth 1453572.882 Units (Previous Year 1453572.882 Units)	150.00	150.00
c. Birla Sun Life Floating Rate Long Term - Daily Dividend Regular Plan - Reinvestment 527950.773 Units (Previous Year Nil)	528.81	-
d. Birla Sun Life Dynamic Bond Fund - Retail - Quarterly Dividend - Regular Plan - Reinvestment 1313568.437 Units (Previous Year Nil)	152.42	-
Total	831.23	850.00

13.1 Market Value of Investment ₹ 840.75 Lacs (Previous Year ₹ 851.04 Lacs)

14. INVENTORIES

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
Raw Materials (In Transit ₹ 201.87 lacs; Previous Year ₹ 101.42 lacs)	1509.99	1341.21
Stocks in Process	2148.47	1465.59
Finished Stock	2142.04	1998.93
Stores & spares (In Transit ₹ 59.09 lacs; Previous Year ₹ 27.95 lacs)	510.16	417.32
Total	6310.16	5223.05

15. TRADE RECEIVABLES

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
Trade Receivables (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	792.25	530.32
Considered doubtful	159.71	122.06
	951.96	652.38
Less : Provision for doubtful debts	159.71	122.06
	792.25	530.32
Others (Considered Good)	4913.48	4303.48
Total	5705.73	4833.80

15.1 Includes ₹ 1.30 lacs (Previous year ₹ 1.30 lacs) under litigation for which adequate provision has been made.

15.2 Balances of trade receivables are subject to reconciliations/confirmations.

16. CASH AND BANK BALANCES

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
Cash and Cash equivalents		
Cash on Hand	4.32	3.89
Balances with Banks	384.61	384.31
Other Bank Balances		
Fixed Deposit with banks	219.00	678.94
Total	607.93	1067.14

16.1 Fixed deposits with banks include deposits of ₹ 105.55 lacs (Previous year ₹ 81.23 lacs) with original maturity of more than 12 months.

16.2 Fixed deposits with banks against margin ₹ 166.02 lacs (Previous year ₹ 146.61 lacs) are held to secure the company's non-fund based limits availed from the banks.

17. OTHER CURRENT ASSETS

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
Export Benefits & Insurance claims receivable	122.22	84.74
Accrued interest	46.55	38.64
Total	168.77	123.38

18. REVENUE FROM OPERATIONS

	(₹ in lacs)	
	Year ended 31.03.2013	Year ended 31.03.2012
Sale of Products	42784.35	41220.47
Other operating Revenues		
Export Incentives	226.01	242.66
	43010.36	41463.13
Less : Excise Duty	3848.34	3187.41
Total	39162.02	38275.72
18.1 : Particulars of sale of products		
Insulators	26024.73	22786.56
Yarn & Waste	16759.62	18433.91
Total	42784.35	41220.47

19. OTHER INCOME

	(₹ in lacs)	
	Year ended 31.03.2013	Year ended 31.03.2012
Liabilities & sundry balances written back (Net)	130.19	177.10
Interest Income	61.21	74.25
Foreign exchange fluctuation (Net)	144.71	196.91
Miscellaneous Income (Including Dividend)	144.97	104.80
Total	481.08	553.06

20. COST OF MATERIALS CONSUMED

	(₹ in lacs)			
	Year ended 31.03.2013		Year ended 31.03.2012	
	(₹ in lacs)	% of consumption	(₹ in lacs)	% of consumption
Imported	1165.98	6.31	977.83	5.35
Indigenous	17304.69	93.69	17313.04	94.65
Total	18470.67	100.00	18290.87	100.00
20.1 Details of Materials Consumed				
	Year ended 31.03.2013		Year ended 31.03.2012	
Clays	1259.03		976.21	
Calcined Alumina	2308.19		1825.46	
Metal Fittings	2875.65		2621.21	
Polyester Chips	11181.25		12134.82	
Spin Finish Oil	290.30		275.35	
Others	556.25		457.82	
Total	18470.67		18290.87	

21. CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS

	(₹ in lacs)	
	Year ended 31.03.2013	Year ended 31.03.2012
Inventories at the beginning of the year		
Finished Goods	1998.93	2382.55
Stock in process	1465.59	1313.48
	3464.52	3696.03
Less: Inventories at the end of the year		
Finished Goods	2142.04	1998.93
Stock in process	2148.47	1465.59
	4290.51	3464.52
Total	(825.99)	231.51

22. EMPLOYEE BENEFITS EXPENSE

	(₹ in lacs)	
	Year ended 31.03.2013	Year ended 31.03.2012
Salaries, Gratuity, Wages, Bonus and other allowances	2856.94	2463.76
Contribution to Provident & other Funds	247.16	213.63
Staff & Labour Welfare	48.24	37.72
Total	3152.34	2715.11
22.1 Disclosure in respect of employee benefits as per Accounting Standard 15 is given below :		
Assumptions		
	Year ended 31.03.2013	Year ended 31.03.2012
- Discount rate	8.00%	8.50%
- Expected rate of return on assets		
- Expected rate of future salary increase	5.50%	6.00%

	(₹ in lacs)				
	Year ended 31.03.2013		Year ended 31.03.2012		
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded	
Change in present value of obligations					
Present value of obligations as at the beginning of the year	583.76	169.46	500.32	144.03	
Interest cost	46.69	13.56	42.53	12.24	
Current service cost	52.77	27.46	44.09	25.81	
Past service cost	-	-	-	-	
Benefits paid	(33.58)	(52.26)	(29.24)	(24.07)	
Actuarial loss on Obligations	45.52	22.82	26.06	11.45	
Present value of obligations as at the close of the year	<u>695.16</u>	<u>181.04</u>	<u>583.76</u>	<u>169.46</u>	
Change in fair value of plan assets	Not applicable		Not applicable		
Liability recognized in the Balance Sheet					
Present value of obligations as at the end of the year	695.16	181.04	583.76	169.46	
Fair value of plan assets as at the close of the year	-	-	-	-	
Funded status/difference	695.16	181.04	583.76	169.46	
Unrecognized Actuarial (Gain)/Loss	-	-	-	-	
Net (Assets)/Liability recognized in Balance Sheet	<u>695.16</u>	<u>181.04</u>	<u>583.76</u>	<u>169.46</u>	
Expenses recognized in statement of Profit and Loss					
Current service cost	52.77	27.46	44.09	25.81	
Past service cost	-	-	-	-	
Interest cost	46.69	13.56	42.53	12.24	
Expected return on plan assets	-	-	-	-	
Net Actuarial (Gain)/ Loss recognized during the year	45.52	22.82	26.06	11.45	
Total Expense recognized in statement of Profit and Loss	<u>144.98</u>	<u>63.84</u>	<u>112.68</u>	<u>49.50</u>	
Movement in liability recognised in the balance sheet					
Opening net liability	583.76	169.46	500.32	144.03	
Expenses as above	144.98	63.84	112.68	49.50	
Benefits Paid	(33.58)	(52.26)	(29.24)	(24.07)	
Actual return on plan assets	-	-	-	-	
Acquisition adjustments	-	-	-	-	
Closing net Liability	695.16	181.04	583.76	169.46	
Amounts for the current and previous four periods are as follows :					
Present Value of Obligation - Gratuity	31.03.2013	31.03.2012	31.03.2011	30.09.2009	31.03.2008
	(12 Months)	(12 Months)	(18 Months)	(18 Months)	(12 Months)
Defined Benefit Obligation	695.16	583.76	500.32	363.70	266.11
Plan Assets -	-	-	-	-	-
Unrecognised past service Cost	-	-	-	-	-
Deficit	(695.16)	(583.76)	(500.32)	(363.70)	(266.11)
Experience adjustments on plan liabilities	(43.27)	(27.99)	27.97	(50.82)	-
Experience adjustments on plan assets	-	-	-	-	-
The above disclosures are based on information certified by the independent actuary.					

23. FINANCE COST

	(₹ in lacs)	
	Year ended 31.03.2013	Year ended 31.03.2012
Interest Expenses	1065.03	1108.00
Other Borrowing Cost	205.43	171.06
Total	<u>1270.46</u>	<u>1279.06</u>

24. OTHER EXPENSES

	(₹ in lacs)	
	Year ended 31.03.2013	Year ended 31.03.2012
MANUFACTURING EXPENSES		
Power & Fuel	7893.22	7111.50
Stores & Spares Consumption	1943.76	1973.43
Packing	1891.48	1860.76
Job Charges	285.55	47.58
Excise duty on increase/decrease in Finished Stock	(6.99)	32.80
Repairs & Maintenance:		
Plant & Machinery	557.65	577.97
Buildings	369.25	243.68
Others	16.11	13.07
Other expenses	165.76	97.14
Total	<u>13115.79</u>	<u>11957.93</u>

ADMINISTRATIVE EXPENSES

Rent	21.36	20.04
Insurance (Net)	27.42	25.38
Rates & Taxes	9.35	9.03
Travelling & Conveyance	154.88	146.10
Legal & Professional Expenses	80.24	88.47
Telecommunication Expenses	12.50	11.40
Directors fees and Expenses	0.42	0.36
Payment to Auditors		
for Audit fee	1.80	1.65
for Tax Audit fee	0.60	0.55
for Expenses	2.89	2.70
Other expenses	229.40	180.89
	<u>540.86</u>	<u>486.57</u>

SELLING EXPENSES

Commission, rebates etc.	341.19	377.94
Carriage outward (Net)	495.90	379.55
Bad debts written off	-	0.93
Provision for doubtful debts	37.65	83.08
Sales Promotion & Advertisement	25.41	17.82
Insulators testing charges	112.19	(1.56)
Other expenses	26.62	18.14
	<u>1038.96</u>	<u>875.90</u>

OTHER EXPENSES

Lease rent on land	0.05	0.05
Loss/Profit on Fixed Assets sold/discarded (Net)	0.71	2.29
	<u>0.76</u>	<u>2.34</u>

Total14696.37 13322.74

	Year ended 31.03.2013		Year ended 31.03.2012	
	₹ in lacs	(%)	₹ in lacs	(%)
24.1 Value of stores, spare parts and components consumed:				
Imported	46.87	2.41	62.20	3.15
Indigenous	1896.89	97.59	1911.23	96.85
	<u>1943.76</u>	<u>100.00</u>	<u>1973.43</u>	<u>100.00</u>

25. CONTINGENT LIABILITIES NOT PROVIDED FOR

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
i) Guarantees given by bankers on behalf of the Company	2304.18	2084.18
ii) Corporate Guarantees given by the Company	-	3.18
iii) Outstanding Letters of Credit	104.22	72.47
iv) Disputed liabilities, not acknowledged as debts	67.43	59.10
v) Disputed Income Tax demand	7.50	7.50
Deposited under protest ₹ 7.50 Lacs (Previous Year ₹ 7.50 Lacs)		
vi) Disputed Land Tax demand	15.70	14.07
Deposited under protest ₹ 15.70 Lacs (Previous Year ₹ 14.07 Lacs)		
vii) Disputed Excise duty/Service Tax demands	287.16	163.97
Deposited under protest ₹ 37.64 Lacs (Previous Year ₹ 5.25 Lacs)		
viii) Disputed Sales Tax demand	525.37	525.37
Deposited under protest ₹ 68.01 Lacs (Previous Year ₹ 68.01 Lacs)		
ix) Interest on disputed Entry Tax	295.07	206.34

26. COMMITMENTS

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)	<u>2403.53</u>	<u>2464.76</u>

27. Profit for the year has been arrived at after adjusting prior year debits ₹ 21.34 lacs (Previous year ₹ 12.26 lacs) and prior year credits ₹ 12.46 Lacs (Previous year ₹ Nil). Expenses/Income arisen/settled during the year have been charged to revenue.
28. Long term loans and advances include interest free loan of ₹ 2245.15 lacs (Previous year ₹ 2245.15 lacs) paid to a company covered under section 301 of Companies Act 1956 in view of proposed amalgamation awaiting approvals (Maximum amount due at any time during the year ₹ 2789.85 lacs; previous year ₹ 2245.15 lacs).

29. Loans to subsidiary companies :

(₹ in lacs)

Sr No.	Name of the Company	As at	As at	Maximum balance during the year
		31.03.2013	31.03.2012	
1	Motile Power Trade Pvt. Ltd.	1300	1300	1300
2	Gujarat Polyfils (India) Ltd.	2320	2900	2900

The above loans are repayable within 1 to 4 years and without interest.

30. Provision for taxation (including interest) estimated at ₹ 624.69 lacs for current year (upto the year ₹ 5939.72 lacs) has not been made in accounts, in view of proposed amalgamation proceedings awaiting approvals. Meanwhile Income Tax Department has completed assessments for Assessment Year 2008-09 & 2009-10 wherein substantive orders have been passed allowing losses pertaining to proposed amalgamation and at the same time protective assessment orders have been made (presuming that no amalgamation had taken place) with demand of ₹ 1611.16 lacs which shall be effective if the amalgamation scheme is not sanctioned. The department has further completed assessment for the Assessment Year 2010-11 and has raised demand of ₹ 961.47 lacs in respect of disallowance of losses pertaining to proposed amalgamation pending approval from concerned authorities. The company has filed appeal against the said demand before CIT (Appeals).

31. Research and Development expenditure debited to the Statement of Profit and Loss by charge to relevant heads of account amounting to ₹ 409.61 lacs (previous year ₹ 288.86 lacs).

32. Segment information as per Accounting Standard 17

A) Primary Segment reporting (By Business Segment)

The two identified segments are

i) Insulators ii) Yarn (FDY)

(₹ in lacs)

	Year ended 31.03.2013			Year ended 31.03.2012		
	Insulators	Yarn	Total	Insulators	Yarn	Total
	1 Segment Revenue					
Sale	26024.73	16759.62	42784.35	22786.56	18433.91	41220.47
2 Segment Result						
Profit before Financial Expense	3253.08	93.21	3346.29	3001.17	490.02	3491.19
Less: Financial Exp.	1265.24	5.22	1270.46	1274.26	4.80	1279.06
Profit before tax	1987.84	87.99	2075.83	1726.91	485.22	2212.13
3 Capital Employed						
Segment Assets	24091.39	11073.85	35165.24	23051.31	11161.50	34212.81
Segment liabilities	13862.70	816.58	14679.28	14848.00	992.22	15840.22
Capital Employed	10228.69	10257.27	20485.96	8203.31	10169.28	18372.59

B) Secondary segment reporting (By Geographical Segment)-The analysis of Geographical segment is based on geographical location of the customers, which is domestic and export.

	Year ended 31.03.2013	Year ended 31.03.2012
<u>Revenue by Geographical market</u>		
In India	35007.76	34527.08
Other than India	7776.59	6693.39
	<u>42784.35</u>	<u>41220.47</u>
<u>Carrying Amount of Segment Assets (Trade Receivables)</u>		
In India	4172.31	3537.35
Other than India	1533.42	1296.45
	<u>5705.73</u>	<u>4833.80</u>

33. Related party Disclosures as per Accounting Standard 18:

i) Related Party Relationships :

a) Where control exists

Modern Denim Ltd.
Modern Terry Towels Ltd.

b) Key Management Personnel :

Shri Sachin Ranka (Chairman)
Shri R.R. Maheshwari (Executive Director)
Shri H.L. Sharma (Executive Director)
Shri R.K. Ladia (Executive Director-upto 13.09.2012)
Shri D.B. Deshpande (Executive Director-w.e.f. 01.01.2013)

c) Subsidiary Companies

Motile Power Trade Pvt. Ltd.
Gujarat Polyfils (India) Ltd.

d) Relatives of key Management Personnel and their enterprises where transactions have taken place:

Smt. Meena Ranka
Shubham Corporate Advisory Services Pvt. Ltd.
Shri Shreyans Ranka

ii) Transactions with related parties and outstanding at the end of the year :

(₹ in lacs)

Type of related Parties	Description of the nature of the transactions	Name	Volume of transactions		Outstanding as on 31.03.2013	Outstanding as on 31.03.2012
			Year ended 31.03.2013	Year ended 31.03.2012		
Where Control exists	Purchase of goods	Modern Terry Towels Ltd.	1.09	1.39	-	-
		Modern Denim Ltd.	0.26	-	-	-
	Loans & Advances given	Modern Terry Towels Ltd.	-	299.54	2245.15	2245.15
Key Managerial Personnel	Remuneration etc.	Modern Denim Ltd.	0.09	4.64	-	-
		Modern Terry Towels Ltd.	8.79	1.75	-	-
Subsidiary Companies	Loan given	Shri H.S. Ranka	-	2.02	-	-
		Shri H.L. Sharma	13.85	10.51	-	-
		Shri R.K. Ladia	67.16	33.75	-	-
		Shri R.R. Maheshwari	13.01	7.50	-	-
		Shri D.B. Deshpande	10.23	-	-	-
Relatives of Key Managerial Personnel and their enterprises	Rent paid	Motile Power Trade Pvt. Ltd.	-	-	1300.00	1300.00
		Gujarat Polyfils (India) Ltd.	(580.00)	300.00	2320.00	2900.00
Relatives of Key Managerial Personnel and their enterprises	Remuneration	Meena Ranka	2.10	1.80	-	-
		Shubham Corporate Advisory Services Pvt. Ltd.	6.00	6.80	-	-
		Shri Shrevans Ranka	5.02	-	-	-

34. Earning per Share as per Accounting Standard 20 :

	Year ended 31.03.2013	Year ended 31.03.2012
i) Net profit after tax available for Equity Shareholders (₹ in lacs)	2113.37	2240.01
ii) Number of Equity Shares of ₹ 10/- each	21743500	21743500
iii) Basic & Diluted earning per share (₹)	9.72	10.30

35. a) Derivatives : Outstanding as at Balance Sheet date

Particulars	Currency	Amount in Foreign Currency		Purpose
		As at 31.03.2013	As at 31.03.2012	
Forward Contracts	EURO	171850	585000	Hedging for Export receivables

b) Foreign currency exposures which are not hedged as at the Balance Sheet date

	As at 31.03.2013		As at 31.03.2012	
	Payable	Receivables	Payable	Receivables
USD	307116	2244251	494721	1542911
EURO	53077	371856	42434	525207

36. (i) Value of imports (including in transit) Calculated on CIF Basis:

	Year ended 31.03.2013	Year ended 31.03.2012
Raw Materials	997.80	849.30
Components & Spare Parts	56.83	240.76
Capital Goods	46.57	1.73
(ii) Expenditure in foreign currency:		
Selling Commission	38.99	44.44
Advance payment for Capital Goods	-	6.88
Technical Consultancy	15.13	26.89
Foreign Travelling Expenses	17.65	17.87
Testing Expenses	30.79	-
Others	4.35	9.85
(iii) Earnings in foreign exchange:		
Export of goods calculated on FOB basis	7571.29	6631.19

37. Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.

As per our report of even date attached

 For S.S. KOTHARI & CO.
 Chartered Accountants
 (Firm Registration No. 001064C)

 (B.L. VERMA)
 Partner
 (Membership No. 10900)
 Place : Jaipur
 Date : 29th June, 2013

For and on behalf of the Board

Sachin Ranka – Chairman

 S.B.L. Jain
 R. Raniwala
 H.L. Sharma
 Directors

Anil Kumar Sharma – Company Secretary

 Place : Mumbai
 Date : 28th June, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

Particulars	2012-13	2011-12
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	2075.83	2212.13
ADJUSTMENTS FOR		
- Depreciation	803.42	777.36
- Foreign Exchange	13.42	130.41
- Interest and Bank Charges	1270.46	1279.06
- Loss / (Profit) on Sale of Fixed Assets	0.71	2.29
- Provision for doubtful debts	37.65	83.08
- Bad debts written off	0.00	0.93
	2125.66	2273.13
Operating Profit before working capital changes	4201.49	4485.26
ADJUSTMENTS FOR		
- Trade and other receivables	(615.00)	(383.59)
- Inventories	(1087.61)	159.96
- Trade and other payable	793.94	0.50
	(908.67)	(223.13)
Cash generation from Operations	3292.82	4262.13
Interest and bank charges paid	(1272.78)	(1,281.38)
Income Tax Paid	(0.21)	(2.24)
Net Cash from operating activities	2019.83	2978.51
(B) CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets (including Capital Work in Progress)	(606.01)	(537.84)
- Sale of Fixed Assets	23.01	35.52
- Investment	18.77	(850.00)
Net cash used in investing activities	(564.23)	(1,352.32)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from Borrowings		
Banks	1161.65	39.19
Other Loan	(24.46)	(22.46)
Term Loan	(1584.00)	(1,183.02)
Other Secured Loan	(1468.00)	(102.00)
Net Cash from financing activities	(1914.81)	(1,268.29)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	(459.21)	357.90
Cash & Cash Equivalents- Opening Balance	1067.14	709.24
Cash & Cash Equivalents- Closing Balance	607.93	1,067.14

As per our report of even date attached

For S.S. KOTHARI & CO.
Chartered Accountants
(Firm Registration No. 001064C)

(B.L. VERMA)
Partner
(Membership No. 10900)
Place : Jaipur
Date : 29th June, 2013

For and on behalf of the Board

Sachin Ranka – Chairman

S.B.L. Jain
R. Raniwala
H.L. Sharma
Directors

Anil Kumar Sharma – Company Secretary

Place : Mumbai
Date : 28th June, 2013

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
 RELATING TO SUBSIDIARY COMPANIES**

1	Name of the Subsidiary Company	Motile Power Trade Pvt. Ltd.	Gujarat Polyfils (India) Ltd.
2	The financial period of the Subsidiary Company ended on	31st March, 2013	31st March, 2013
3	Extent of interest of Modern Insulators Limited in the capital of Subsidiary at the end of the financial year of the Subsidiary	(86%) 43000 Equity shares of ₹ 10/- each fully paid-up	(99%) 49400 Equity shares of ₹ 10/- each fully paid-up
4	The net aggregate amount of Profit/Loss of the Subsidiary so far as it concerns the members of Modern Insulators Limited.		
	a) Not dealt with in the Company's accounts for the period ended on 31st March, 2013 amounted to		
	i) For the Subsidiary's financial period ended as in (2) above	Profit ₹ 0.11 lacs	Profit ₹ 0.28 lacs
	ii) For the Subsidiary's financial years of the Subsidiary since it became Subsidiary of the Company.	Loss ₹ 0.11 lacs	Profit ₹ 0.45 lacs
	b) Dealt with in Company's accounts for the period ended 31st March, 2013 amounted to		
	i) For Subsidiary financial period ended as in (2) above	-	-
	ii) For the previous financial years of the Subsidiary since it became the holding Company's Subsidiary.	-	-

For and on behalf of the Board

Sachin Ranka – *Chairman*

S.B.L. Jain
 R. Raniwala
 H.L. Sharma

} *Directors*

Anil Kumar Sharma – *Company Secretary*

Place : Mumbai

Date : 28th June, 2013

If undelivered please return to :



Modern Insulators Limited
A-4, Vijay Path, Tilak Nagar,
Jaipur-302 004 (India)