

MODISON METALS LIMITED

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

SUPPLEMENT NOTICE

This notice is a supplement to the notice given by the Board of Directors convening the Thirty First Annual General Meeting of the members of **Modison Metals Limited** to be held at **Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai – 400005** on **09th September 2014 at 11.30 A.M.**

This supplementary notice is given to the members of the Company to inform that, at the said Annual General Meeting for which the aforesaid notice has been issued, the following business is to be included after item 8 of the aforesaid notice:

9. Appointment of Mr. Ranjan Dasgupta as Independent Director

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 149,152 read with schedule IV and other applicable provisions, if any, of the Companies Act, 2013(‘Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ranjan Dasgupta (holding Directors Identification Number 00056014), a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years for a term up to March 31, 2019.”

10. Appointment of Mr. R.A. Goenka as Independent Director

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 149,152 read with schedule IV and other applicable provisions, if any, of the Companies Act, 2013(‘Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. R.A. Goenka (holding Directors Identification Number 00140376), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years for a term up to March 31, 2019.”

11. Appointment of Mr. L.P. Aggarwal as Independent Director

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 149,152 read with schedule IV and other applicable provisions, if any, of the Companies Act, 2013(‘Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. L.P. Aggarwal (holding Directors Identification Number 00101579), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years for a term up to March 31, 2019.”

12. Ratification of fee payable to the Cost Auditors

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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s N. Ritesh & Associates, Cost Accountants (N. Ritesh Proprietor), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration of Rs. 50000/- (Rupees Fifty Thousand) plus Service Tax as applicable.

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

MUMBAI, 11th August, 2014

Registered Office:
33- Nariman Bhavan,
227- Nariman Point,
MUMBAI- 400 021

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

CIN: L51900MH1983PLC029783
Email:shareholder@modison.com

G.L. MODI
Managing Director

NOTES:

- a) The relative Explanatory statement pursuant to section 102(1) of the Companies Act, 2013, in respect of the special business as set out above is annexed hereto.
- b) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company.
- c) As per the requirements of clause 49 of the Listing Agreement on Corporate Governance for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details of Mr. Ranjan Dasgupta, Mr. R.A. Goenka and Mr. L.P. Aggarwal-Directors are given below.

Name of the Director	Mr. Ranjan Dasgupta	Mr.R.A. Goenka	Mr. L.P. Aggarwal
Date of birth	28.10.1940	15.07.1942	25.03.1958
Date of Appointment	09.06.1998	28.04.2008	15.07.2013
Qualification	B.Sc (Hons), B.E., MBA- Post Graduate (Equivalent) TQM	B.A.	B.Com. (Hons.), FCA & CAIIB
Expertise in specific functional area	38 years tenure With Crompton Greaves Ltd. retired as Member Board and President Power Systems	In Chemical Industries & Overseas Business	L P Aggarwal is a rank-holder Chartered Accountant with 31 years of post- qualification experience. He has held senior positions in a large Public Sector Bank, a Stock Exchange and a large Brokering House / NBFC. He has gained wide knowledge of Indian companies in various industries, while appraising their projects, lending funds to them, investing in their equity and also as nominee director. He has made substantial contribution for improvement in Corporate Governance, MIS, Business Strategy and Compliance in these companies. He has deep knowledge and understanding of Indian equity and financial markets as well as of banking and brokering operations
List of other public limited companies (in India) in which outside directorship held	NIL	Sanjana Cryogenic Storages Ltd.	NIL
Member of the committee/s of Board of Member of the committee/s of Board of Directors of other companies in which he is a Director	NIL	NIL	NIL

d)Voting through Electronic means

I.In Compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide members, the facility to exercise their right to vote at the Thirty First Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab
- (iii) Now, select the “COMPANY NAME” from the dropdown menu and click on “SUBMIT”
- (iv) Now, enter your User ID
 - a. For CDSL: 16 digits beneficiary ID.
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.• In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details approximately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, if you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The e-voting period commences on the Monday, 01st September, 2014 (10:00 am) and ends on the Wednesday, 3rd September, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of the Monday, 11th August 2014, may cast their vote electronically.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of the Monday, 11th August, 2014.
- III. Shri Manish L. Ghia, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- IV. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the present of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- V. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith Scrutinizer's Report shall be placed on the Company's website www.modison.com and on the website of CDSL within (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- VI. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 6:00 pm) on all working days, up to and including the date of the AGM of the Company.

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EXPLANATORY STATEMENT U/S 102(1) OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE.

Item No. 09 to 11.

Appointment of Independent Directors

Section 149 of the Companies Act 2013 ('Act') requires all listed public companies to have at least one- third of the total number of directors as Independent Directors. Your Company complies with this requirement.

Sub-section (10) of Section 149 of the Act further provides that Independent Directors are required to hold office for a term up to five consecutive years on the Board of a Company and can be re-appointed thereafter subject to the limit under sub-section (11) of section 149 of the Act which provides that they shall not hold office for more than two consecutive terms.

The amended Clause 49 of the Listing Agreement with the Stock Exchanges also stipulates similar conditions with regard to initial tenure for appointment of Independent Directors for a term up to five consecutive years.

Further, in terms of sub section (13) of section 149 read with Explanation to sub-section (6) of section 152 of the Act, Independent Directors are not liable to retire by rotation.

The following Directors on the Board of your Company qualify as Independent Directors under section 149 of the Act and clause 49 of the Listing Agreement:

1. Mr. Mr. Ranjan Dasgupta
2. Mr. R.A. Goenka
3. Mr. L.P. Aggarwal

These Directors were duly appointed under the Companies Act, 1956 as Directors liable to retire by rotation. In order to give effect to the aforesaid provisions of the Act, it is proposed that these Directors be appointed as Independent Directors under Section 149 of the Act read with the amended clause 49 of the Listing Agreement, to hold office for five consecutive years, for a term up to 31st March, 2019.

None of the aforementioned Directors are disqualified from being appointed as Directors in term of section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members alongwith the deposit of requisite amount under section 160 of the Act, proposing the candidature of each of the aforementioned Directors for the office of Directors of the Company.

The Company has received declarations from all the above Directors that they meet with the criteria of independence as prescribed both under sub- section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, they fulfil the conditions for their appointment as Independent Directors as specified in the Act and the Listing Agreement. They are independent of the management.

Keeping in view their expertise and knowledge, it will be in the interest of the Company that these Directors are appointed as Independent Directors.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except for the respective Directors who may be deemed to be interested in the respective resolutions at item Nos. 9 to 11 of the Notice as it concerns their appointment as Independent Director, none of the other Directors are, in any way, concerned or interested, financially or otherwise, in the respective resolutions set out at Item Nos. 9 to 11 of the Notice.

The Board commends the Ordinary Resolutions set out at Item Nos. 9 to 11 of the Notice for approval by the shareholders.

Item No. 12

The Board on the recommendation of the Audit Committee, has approved the appointment of M/S N. Ritesh & Associates, Cost Accountants (N. Ritesh Proprietor), as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at a remuneration of Rs. 50000/- (Rupees Fifty Thousand) plus Service Tax as applicable.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 12 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

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 set out at Item No. 12 of the Notice.

The Board commends the Ordinary Resolution set out at the Item No. 12 of the Notice for approval by the shareholders.

MUMBAI, 11th August, 2014

Registered Office:
33- Nariman Bhavan
227- Nariman Point,
MUMBAI- 400 021

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

CIN : L51900MH1983PLC029783
Email: shareholder@modison.com

G.L. MODI
Managing Director

MODISON

METALS LIMITED

ANNUAL REPORT: 2013-2014

ANNUAL REPORT: 2013-14

BOARD OF DIRECTORS:

RANJAN DASGUPTA – Chairman

G. L. MODI - Managing Director

RAJKUMAR MODI - Wholetime Director

KUMAR JAY MODI - Wholetime Director

SURESH MODY

R. A. GOENKA

LALITA PERSHAD AGGARWAL (Appointed w.e.f.15.07.2013)

B.B. SINGH - Wholetime Director (Resigned w.e.f. 07.05.2014)

SHRAVAN SHARMA (Resigned w.e.f.13.06.2013)

ANIL LOHIA (Resigned w.e.f. 14.06.2013)

SATISH MODY (Resigned w.e.f. 20.06.2013)

CEO

RAKESH S. SINGH

AUDITORS:

M/s. M. L. BHUWANIA & CO.
CHARTERED ACCOUNTANTS
F-11, 3RD FLOOR, MANEK MAHAL
90, VEER NARIMAN ROAD
CHURCHGATE
MUMBAI – 400 020.

BANKERS:

BANK OF INDIA

REGISTERED & HEAD OFFICE:

33 NARIMAN BHAVAN
227 NARIMAN POINT
MUMBAI – 400021
Tel: 022 2202 6437
Email Id: shareholder@modison.com
Web: www.modison.com

WORKS ADDRESS

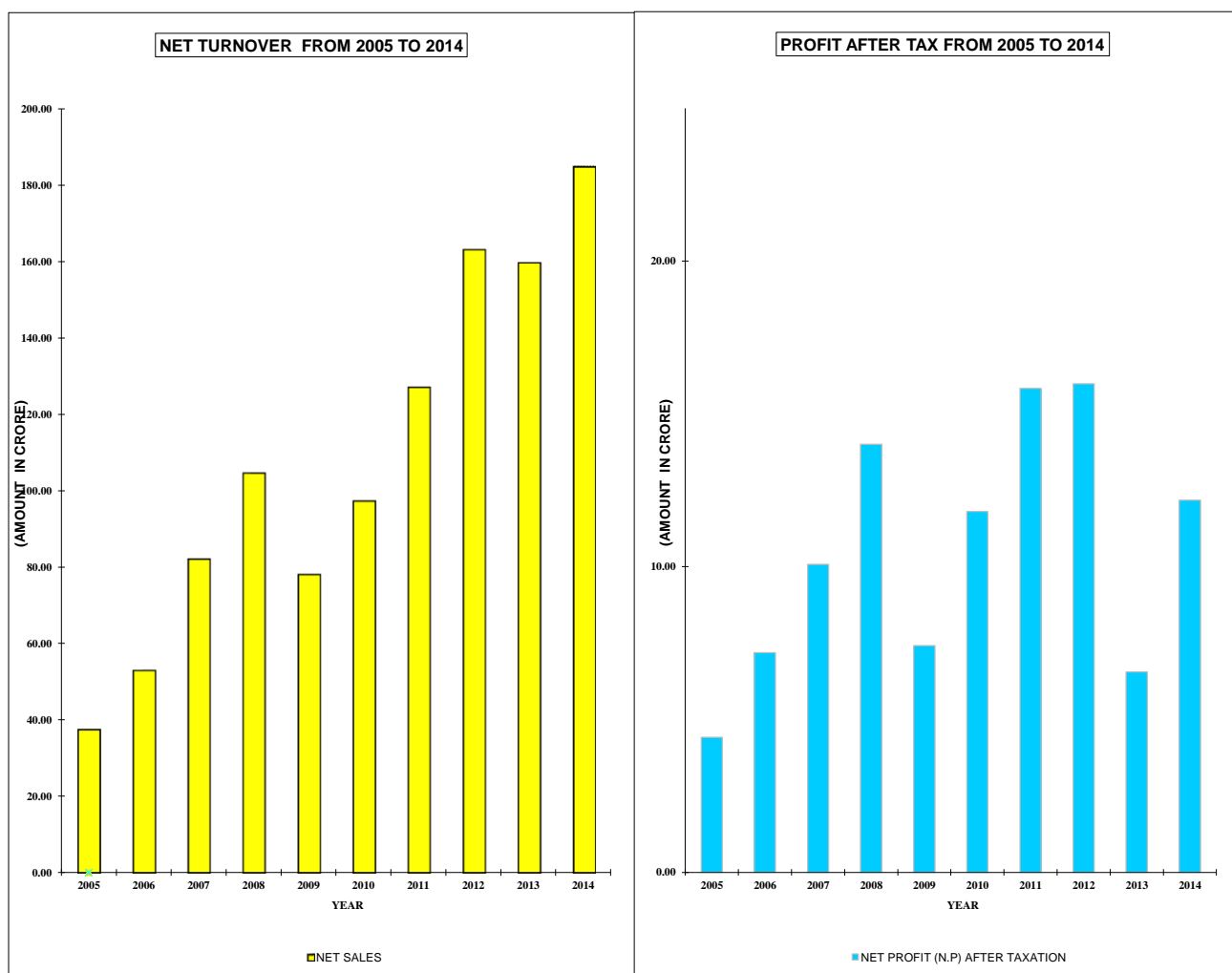
85A,B,D&E, E-ROAD
PHASE-I, GIDC
VAPI-396 195
DIST. VALSAD
GUJARAT

FINANCIAL HIGHLIGHTS

(Rupees in Crore)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
NET SALES	37.62	53.08	82.20	104.77	78.20	97.40	127.22	163.23	159.78	184.84
EBDITA	9.60	14.46	20.28	26.81	16.68	22.73	29.44	31.62	19.49	*26.79
DEPRECIATION & AMORTISATION	1.54	1.85	2.64	2.65	3.51	3.97	4.61	5.26	6.05	6.22
EBITA	8.06	12.61	17.64	24.16	13.17	18.76	24.83	26.36	13.44	20.57
TAXATION	2.36	3.91	5.44	7.95	4.05	5.92	7.94	7.68	3.72	6.27
NET PROFIT (N.P) AFTER TAXATION	4.42	7.19	10.08	14.00	7.42	11.81	15.83	15.98	6.56	12.18
EBDITA TO NET TURNOVER (%)	25.52	27.24	24.67	25.59	21.33	23.34	23.14	19.37	12.20	14.49
EBITA TO NET TURNOVER (%)	21.42	23.76	21.46	23.06	16.84	19.26	19.52	16.15	8.41	11.13
NP TO NET TURNOVER (%)	11.75	13.55	12.26	13.36	9.49	12.13	12.44	9.79	4.11	6.59
NET BLOCK (+ CWIP)	21.61	30.55	30.98	38.70	41.03	44.05	46.64	54.73	62.09	60.65
PAID UP CAPITAL	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
RESERVES AND SURPLUS	14.40	20.50	29.46	41.83	49.54	58.41	70.39	82.53	85.22	92.60
NET WORTH	17.65	23.75	32.71	45.08	52.79	61.66	73.64	85.78	88.47	95.85
FEW KEY RATIOS										
EARNINGS PER SHARE (Rs.)	1.37	2.21	3.11	4.31	2.29	3.64	4.88	4.93	2.02	3.75
BOOK VALUE (Rs.)	5.05	6.98	9.78	13.62	16.02	18.79	22.51	26.28	27.13	29.42
DIVIDEND (%)	20.00	25.00	25.00	40.00	40.00	75.00	100.00	100.00	100.00	125.00

* Excluding Exceptional Items Rs.0.79 Crore



MODISON METALS LIMITED

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

NOTICE

NOTICE is hereby given that the **Thirty First Annual General Meeting** of Modison Metals Limited will be held at **Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai – 400005** on **09th September 2014** at **11.30 A.M.**, to transact the following business:

ORDINARY BUSINESS:

Adoption of Directors' Report and Accounts

1. To receive and adopt the audited Balance Sheet as at 31st March 2014, Statement of Profit and Loss for the year ended on that date with the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint Director in place of Mr. Ranjan Dasgupta who retires from office by rotation and being eligible offers himself for reappointment.
4. To appoint Director in place of Mr. Rajkumar Modi who retires from office by rotation and being eligible offers himself for reappointment.
5. To appoint Director in place of Mr. Kumar Jay Modi who retires from office by rotation and being eligible offers himself for reappointment.
6. To appoint M/s M.L. Bhuwania & Co., Chartered Accountants, as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding, that the money or monies to be borrowed by the Company (apart from the Temporary loans obtained from time to time from the Company's Bankers in the ordinary course of business) together with the money already borrowed, may exceed the aggregate of the Paid-up Share Capital of the Company and its free reserves that it is to say, reserves not set apart for any specific purpose(s), provided however that the money already borrowed shall not, at any time exceed Rs 100 Crores (Rupees One Hundred Crores only)”.

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

“RESOLVED THAT pursuant Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such Charges, Mortgages and Hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the board may deem fit, together with power to take over the management and concern of the Company in certain events in favour of Banks/ Financial Institutions and other investing agencies to secure Rupee/ foreign currency loans and Working Capital facilities availed or proposed to be availed by the Company, provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and other moneys payable by the Company in respect of the said Loans, shall not, at any time exceed the limit of Rs 100 Crores (Rupees One Hundred Crores only)”.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, as well as to execute all such documents, instruments and writings as may be required to give effect to the above resolution.”

MUMBAI, 26th May,2014

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

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

G. L. MODI
Managing Director

NOTES:

- a) A Member is entitled to attend and Vote is entitled to appoint a proxy and vote instead of himself and the Proxy need not be a member. The Proxies should, however be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
- b) An Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
- c) Members/ proxies should fill the Attendance Slip for attending the meeting.
- d) Members are requested to note that the company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
- e) Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS mandates, nominations, power of attorney, change of address/ name etc. to their depository participant only and not to company or its registrar and transfer Agent. The said intimation will be automatically reflected in the company's records

- f) The Registrar of Members and transfer books of the Company will be closed from 2nd September, 2014 to 9th September 2014 (Both days inclusive).
- g) The dividend, after declaration will be paid to those shareholders whose names stand on the Register of Members on 09th September, 2014. The dividend in respect of Shares held in the electronic form will be paid to beneficial owners of the shares whose names appear in the list furnished by the Depositories for this purpose as on 09th September, 2014. The dividend will be paid by 08th October, 2014 to the Shareholders.
- h) Members are hereby informed that Dividend which remains unclaimed/ un-encashed over a period of 7 years, has to be transferred as per the provisions of Section 124 of the Companies Act, 2013, by the Company to "The Investor Education & Protection Fund", constituted by the Central Government under Section 125 of the Companies Act, 2013.

Hereunder are the details of Dividends paid by the Company and their respective due dates of transfer of unclaimed/ un- encashed dividends to the designated fund of the Central Government:-

Date of Declaration of Dividend	Dividend for the year	Due date of transfer to the Government
25.09.2007	2006-2007	24.09.2014
26.08.2008	2007-2008	25.08.2015
25.08.2009	2008-2009	24.08.2016
27.07.2010	2009-2010	26.07.2017
26.07.2011	2010-2011	25.07.2018
07.08.2012	2011-2012	06.08.2019
10.09.2013	2012-2013	09.09.2020

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

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

j) As per the requirements of clause 49 of the Listing Agreement on Corporate Governance for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details of the concerned Directors is given below:

	Name of the Director	Mr. Ranjan Dasgupta	Mr. Rajkumar Modi	Mr. Kumar Jay Modi
i)	Date of birth	28.10.1940	08.03.1965	05.12.1978
ii)	Date of Appointment	09.06.1998	09.06.1998	01.04.2012
iii)	Qualification	B.Sc (Hons), B.E., MBA- Post Graduate (Equivalent) TQM	B. Com., MBA	B.Com.
iv)	Expertise in specific functional area	38 years tenure with Crompton Greaves Ltd., retired as Member Board and President Power Systems	He has a sharp business acumen, stronghold in export market and excellent administrative skills.	International Sales & Marketing
v)	List of other public limited companies (in India) in which outside directorship held	NIL	NIL	NIL
vi)	Member of the committee/s of Board of Member of the committee/s of Board of Directors of other companies in which he is a Director	NIL	NIL	NIL

**EXPLANATORY STATEMENT U/S 102 (1) OF THE COMPANIES ACT, 2013 FORMING
PART OF THE NOTICE**

Item No. 7

As per the provisions of Section 180 (1)(c) of the Companies Act, 2013, the Board of Directors of a Company cannot borrow money (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Company's Paid-up Capital and Free Reserves (that is reserves not set apart for any specific purpose) without the consent of the shareholders in the General Meeting. As the business of the Company is growing, the Debts may exceed the Paid-up Capital and Free Reserves of the Company and further the company may avail further loans from the Banks/ Financial Institutions or any other lenders for business purpose, hence it is considered necessary to fix the said borrowing limits of the Board of Directors of Rs.100 Crores.

The shareholders of the Company at the Annual General Meetings held on 26th July, 2011 authorised the Board of Directors to borrow upto Rs. 100 crores under the Companies Act, 1956. Since new Companies Act, 2013 is effective from 01.04.2014, the Company needs to pass fresh resolution for borrowings.

The Resolution set out at Item No. 7 of the notice is put forth for consideration of the members as Special resolution pursuant to Section 180(1)(c) of the Companies Act, 2013 authorising the Board of Directors to borrow upto a sum of Rs.100 Crores.

Your Directors recommend the above Resolution for your approval.

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

Item No. 8

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of a Company cannot sell, lease or otherwise dispose of the whole, or substantially the whole, of any such undertaking without the consent of the shareholders in the General Meeting.

The shareholders of the Company at the Annual General Meeting held on 26th July, 2011, authorised the Board of Directors to create charge, Mortgage etc. upto Rs.100 crores under the Companies Act, 1956. Since new Companies Act, 2013 is effective from 01.04.2014, the Company need to pass fresh resolution for creating charge, Mortgage etc.

As the business of the Company is growing, the Company will require to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may seem fit, together with power to take over the management and concern of the Company in certain events in favour of Banks/ Financial Institutions and other investing agencies to secure Rupee/ Foreign currency Loans and Working capital facilities availed or proposed to be availed by the Company, provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and other moneys payable by the Company in respect of the said loans, shall not, at any time exceed the limit of Rs100 Crores.

As the mortgage/ Charge/ Hypothecation by the Company on its Assets as aforesaid in favour of the Banks and Financial Institutions may be regarded as disposal of the Company's properties undertaking in certain events of default, it is necessary for the members to pass a resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of said charge/ mortgage/ Hypothecation.

Your Directors recommend the resolution for your approval.

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

MUMBAI, 26th May,2014

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

G. L. MODI
Managing Director

DIRECTORS' REPORT

To,

The Members of
MODISON METALS LTD.

Your Directors have pleasure in submitting the **Thirty First Annual Report** of the Company together with audited Accounts for the year ended 31st March, 2014.

• **FINANCIAL RESULTS**

	<u>Rupees In Lakh</u>	
	<u>2013-14</u>	<u>2012-13</u>
Revenue from Operation & Other Income	18,484.38	15,977.94
Gross Profit Before Finance Cost & Depreciation / Amortisation	2,678.77	1,948.43
Less: Finance Cost	289.39	315.70
Depreciation / Amortisation	622.38	604.58
Profit before Exceptional Items	1,767.00	1,028.15
Exceptional Items	78.95	0.00
Profit Before Taxation	1,845.95	1,028.15
Less: <u>Provision for Taxation:</u>		
Current Tax	559.00	250.00
Deferred Tax	68.59	121.82
Profit After Taxation	1,218.36	656.33
Add: Taxation adjustment of previous year	0.13	(0.33)
Add: Balance Brought Forward from the previous year	7,279.80	7,070.45
Profit available for appropriation	8,498.29	7,726.85
Proposed Dividend	405.63	324.50
Corporate Dividend Tax	68.94	55.15
Transfer to General Reserve	121.85	67.00
Balance Carried Over to Balance Sheet	7901.87	7,279.80

DIVIDEND :

The Board of Directors has recommended a Dividend of **Rs. 1.25** (125 per cent) per Equity Share of Re.1 each for the Financial Year ended 31st March 2014.

OPERATIONS :

During the year under review, the Company has achieved the **turnover of Rs. 18,484.38 Lakh** as compared to Rs. 15,977.94 Lakh during previous year. Turnover grew by 15.69% i.e. by Rs.2,506.44 Lakh, Profit before tax grew by 79.54% i.e. by Rs.817.80 Lakh, & Net Profit after tax grew by 85.75% i.e. by Rs.562.49 Lakh.

Earnings per share for the year 2013-14 increased to Rs. 3.75 from Rs. 2.02 in the previous year. Book value now stands at Rs. 29.42 per Equity Share of Re.1 each.

EXPORTS :

The Exports (FOB) including export in INR during the year amounts to **Rs. 3,610.65 Lakh** as against Rs. **2,776.64** Lakh achieved in the previous year. The export grew by 30.04% i.e. by Rs.834.01 Lakh. The Company is still focusing to improve its exports performance mainly in USA & Europe.

RESEARCH AND DEVELOPMENT :

A state-of-the-art recognized R & D Division set up by the Company in Financial Year 2002-03 got renewal in April 2013 from Department of Science & Technology Industrial Research, New Delhi. The R&D Division is working for development of new product as well as improvement in existing products.

DIRECTORS:

Mr. Ranjan Dasgupta, Mr. Rajkumar Modi and Mr. Kumar Jay Modi retire by rotation at the ensuing Annual General meeting and being eligible offer themselves for re-appointment to the Board. There were resignation of Mr. Anil Lohia w.e.f 14/06/2013, Mr. Satish Mody w.e.f. 20/06/2013 and Mr. Shraavan V. Sharma w.e.f 13/06/2013. Also there was appointment of additional director Mr. Lalita Pershad Aggarwal w.e.f. 15/07/2013 and there was change in designation of Mr. Lalita Pershad Aggarwal as a Director w.e.f.10/09/2013. Mr. B.B.Singh resigned w.e.f. 07.05.2014.

DIRECTORS' RESPONSIBILITY STATEMENT:

As per the provisions of Section 217 (2AA) of the Companies Act 1956, the Board confirms that

1. The financial statements are in full conformity with the requirements of the Companies Act, 1956 and applicable accounting standards had been followed.
2. The Directors have selected such accounting policies and applied them consistently and made judgements 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 ended on that date.
3. 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.
4. The Directors have prepared the Annual Accounts on a going concern basis.

COMPLIANCE CERTIFICATE:

A copy of Compliance Certificate as required by section 383A(1) of the Companies Act, 1956 forming part of this report is attached here with. The Compliance Certificate is self explanatory.

CORPORATE GOVERNANCE:

Certificate of the Auditors of your Company regarding Compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchange is enclosed.

Your Company has been practising the principles of good Corporate Governance over the years.

The Board of Directors supports the broad principles of corporate governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

Your Company has complied with the requirement of the revised clause 49 of the Listing Agreement.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earning and outgo is given in the Annexure I.

PARTICULARS OF EMPLOYEES:

The Board of Directors wishes to express its appreciation to all the employees of the Company for their outstanding contribution to the operations of the Company during the year.

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended regarding employees is given in the Annexure II.

AUDITORS :

M/s. M. L. Bhuwania & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment as per the Certificate given by the Auditors under the provisions of Section 139 and 141 of the Companies Act, 2013.

COST AUDITOR'S DETAILS

The Central Government has approved the appointment of M/s N. Ritesh & Associates (Talati Ritesh Naimesh, Proprietor), Cost Accountants as Cost Auditors for conducting Cost Audit of the Company for the Financial Year 2013-14. The due date for filing the Cost Audit Reports for the Financial Year ended 31st March, 2014 is 30th September, 2014. The due date for filing the Cost Audit Report of the Company for the Financial Year ended 31st March, 2013 was 30th September 2013 and the Cost Audit Report was filed by the Cost Auditor M/s NNT & Co.(Talati Nikita Naimesh, Proprietor), Cost Accountants, on 20th November, 2013 in XBRL Mode as mandated by the Ministry of Corporate Affairs vide their circular no. 8/2012 dated 10th May, 2012

PUBLIC DEPOSITS :

The Company has not accepted deposit from the Public during the year.

APPRECIATION :

Your Directors wish to place on record their appreciation for the continued support received from Employees, Shareholders, Banks, Customers and Suppliers of the Company.

For And On Behalf Of The Board

G. L. MODI
Managing Director

Mumbai, 26th May, 2014

ANNEXURE I TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY

- a) Energy Conservation Measures:
 - Strict adherence of reasonable batch size production so that consumption on smaller batch lots is not made thereby decreasing power consumption. Mainly with respect to Heat Treatment and Melting furnaces.
- b) Additional Investments & Proposals For Reduction Of Energy:
 - None.
- c) Impact Of The Above Measure:
 - Since the energy consumption is comparatively marginal, the impact on cost of production is difficult to ascertain.
- d) Total Energy Consumption And Energy Consumption Per Unit Of Production:
 - Not furnished as the Company is not covered in the list of specified industries.

B TECHNOLOGY ABSORPTION :

Research & Development

- a) Specific areas in which R&D carried out by the company:
 - Dispersion strengthened copper
 - Copper Chromium contacts disc for vacuum interrupters.
 - Eutectic Brazing alloy for vacuum interrupters.
 - High performance current carrying parts.
- b) Benefits derived as a result of above R & D:-
 - Foray into identified segment of MV business
 - More cost competitive products made available.
 - Import substitute.
- c) Future Plan of action:
 - Development of Beryllium Copper
 - Development of Percussion Welded parts.
 - Development of Fully Automatic Horizontal Welding Line.
- d) Expenditure in R&D:

	<u>Rs. In Lakh</u>
- Capital	6.64
- Recurring	31.51
Total	38.15
- Total R&D Expenses as a percentage of total Turnover	0.21%

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 (2013-14)

	<u>Rs. in Lakh</u>
i) CIF Value of Imports:	2363.46
ii) Expenditure in Foreign Currency:	132.00
iii) Foreign Exchange earned:	3601.24

ANNEXURE II TO DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES OF THE COMPANY AS REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975.

Name	MR. G.L. MODI
Designation	Managing Director
Date of Commencement of Employment	1 st Sept. 1994
Gross Remuneration	Rs. 10,126,860/-
Age (in Years)	72
Qualification	D.M.E
Experience (in years)	49
Particulars of Previous Employment	-
Designation	-

NOTES :

1. Mr. G. L. Modi is the Father of Mr. Kumar Jay Modi, a Director.
2. Remuneration includes Salary, Allowances and Monetary value of perquisites.

COMPLIANCE CERTIFICATE
(Pursuant to section 383A of the Companies Act, 1956)

Name of the Company: MODISON METALS LIMITED

Registration No : L51900MH1983PLC029783

Authorised Capital : Rs.32, 500,000/- Paid-Up Capital: - Rs. 32,450,000/-

To,
The Members of
MODISON METALS LIMITED

We have examined the registers, records, books and papers of MODISON METALS LIMITED as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has maintained statutory registers as stated in Annexure 'A' to this certificate as per the provisions and the rules made thereunder.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies.
3. The Company being a Public Limited Company has the prescribed paid-up capital.
4. The Board of Directors duly met SIX (6) times respectively on 23rd May 2013, 24th June 2013, 15th July 2013, 6th August 2013, 28th October 2013 and 27th January 2014 in respect of which meetings proper notices were given and the proceeding were properly recorded and signed in the Minutes book maintained for the purpose.
5. The Company has closed its Register of Members from 03rd September, 2013 to 10th September, 2013 during the financial year.
6. The Annual General Meeting for the financial year ended 31st March, 2013 was held on 10th September 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes book maintained for the purpose.
7. No Extra-Ordinary Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under section 295 of the Companies Act 1956.

9. The Company has entered into contract falling within purview of Section 297 of the Companies Act, 1956 and the same were on cash basis.
10. The Company has made necessary entries in the register maintained under section 301 of the Companies Act, 1956.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has stated that:
 - i) There were no allotment/ transmission/ transfer of Securities during the financial year.
 - ii) The Company has deposited the amount of dividend declared in a separate Bank Account which is within five days from the date of declaration of such dividend.
 - iii) The Company has paid dividend to all the members within a period of 30 days from the date of declaration.
 - iv) The Company has duly complied with the requirement of section 217 of the Act.
14. The Board of Directors of the Company was duly constituted. There were resignation of Mr. Anil Lohia w.e.f 14/06/2013, Mr. Satish Mody w.e.f. 20/06/2013 and Mr. Shravan V. Sharma w.e.f 13/06/2013. Also there was appointment of additional director Mr. Lalita Pershad Aggarwal w.e.f. 15/07/2013 and there was change in designation of Mr. Lalita Pershad Aggarwal as a Director w.e.f.10/09/2013 and necessary form has been filed on MCA portal.
15. The re-appointment of Whole time director Mr. Rajkumar Modi has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act. And Form No. 25C and other necessary forms have been filed for the appointment of Mr. Rajkumar Modi.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has obtained approval with reference to application filed vide SRN B56904287 under the provision of sections 198 /269 /309 /310 of the companies Act,1956 from the Central Government for appointment of Mr Girdharilal Madanlal Modi, Managing Director of the company for a period of 3 years w.e.f.09.07.2012 to 08.07.2015
18. The directors have disclosed their interest in other firms /Companies to the board of the directors to the provision of the act and the rules made thereunder.
19. The Company has not issued any share, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference share or debentures during the financial year.
22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/ accepted any deposits including unsecured loan falling within the purview of Section 58A during the financial year.
24. The Company has made borrowings during the Financial year 31st March 2014 and that necessary resolution as per section 293 (1)(d) of the Act have been passed.

25. The Company has not made loans and investments or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and was not required to make entries in the register kept for the purpose.
26. The Company has not altered the provision of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provision of the memorandum with respect to the object of the Company during the year under scrutiny.
28. The Company has not altered the provision of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association and was not required to obtain the approval of the members in the general meeting during the financial year and hence no amendments to the Articles of Association were required to be registered with the Registrar of Companies.
31. As per the information provided, there was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. As per the information provided before us the Company has deposited both employees & employer's contribution to the provident fund with prescribed authorities pursuant to Section 418 of the Act.

Place: Mumbai
Date: 26th May 2014

Mrs. Ragini Chokshi
Practising Company Secretary

FOR RAGINI CHOKSHI & CO.
(Partner)
C.P. No. 1436

ANNEXURE A

1. Register of Members' u/s 150
2. Register of Directors u/s 303
3. Register of Directors Share holding u/s 307.
4. Register of Charges u/s 143.
5. Register of Investments u/s 372A.
6. Register of Contracts u/s 301.
7. Minutes books for meetings of the Board of Directors and Shareholder.

ANNEXURE B

Forms and returns filed by the Company with the Registrar of Companies, during the financial year ending on 31st March 2014.

Sr. No.	Form No. / Return	Filed under Section	For	Date of Filing	Whether Filing within Prescribed Time Yes / No	If delay, in filing whether requisite additional fee paid Yes / No
1.	Form No.8	Section125	2013-14	13/04/2013	Yes	No
2.	Form No.23C	233B (2)	2013-14	24/06/2013	Yes	No
3.	Form No.25C	269 (2) & Sch.XIII	2013-14	24/06/2013	Yes	No
4.	Form No.32	303 (2)	2013-14	03/07/2013	Yes	No
5.	Form No.23D		2013-14	26/07/2013	Yes	No
6.	Form No.32	303 (2)	2013-14	08/08/2013	Yes	No
7.	Form No.32	303 (2)	2013-14	30/09/2013	Yes	No
8.	Form No.23	192	2013-14	30/09/2013	Yes	No
9.	Form No.66	383 A	2012-13	01/10/2013	Yes	No
10.	Form No.23AC/ACA - XBRL Balance sheet and Profit and Loss A/c	220	2012-13	09/10/2013	Yes	No
11.	Form No.20B	159(1)	2012-13	24/10/2013	Yes	No
12.	Form No.1 INV	Pursuant to rule 3 IEPF, Rules 2001	2013-14	03/10/2013	Yes	No
13.	Form No.17	Section138	2013-14	07/11/2013	Yes	No

14.	Form No.17	Section138	2013-14	07/11/2013	Yes	No
15.	Form No.17	Section138	2013-14	07/11/2013	Yes	No
16.	Form No.17	Section138	2013-14	30/12/2013	Yes	No
17.	Form No. I XBRL		2012-13	20/11/2013	Yes	No
18.	Form No. 8	Section125	2013-14	08/10/2013	Yes	No
19.	Form No.5 INV	Pursuant to rule 2 IEPF, Rules 2012	2013-14	19/12/2013	Yes	No
20.	Form No.8	Section125	2013-14	24/12/2013	Yes	No
21.	Form No.8	Section125	2013-14	24/12/2013	Yes	No
22.	Form No.8	Section125	2013-14	24/12/2013	Yes	No

Management Analysis & Discussion Report:

A. Business Environment:

The year 2013-14 was to a large extent continuation of 2012-13 in terms of growth or rather lack of it. The year is likely to end with GDP of 4.8 % .Industrial growth saw contraction with factory output shrinking and fiscal deficit remaining high despite spending squeeze and unpaid subsidies.

Attempts were made to control current account deficit by checking gold imports which had other impacts. The first year of XII plan did not augur well for power industries with no major thrust to it .The electrical equipment industry showed some positivity in last two quarters but switchgear industry remained negative for most part of year which impacted all the leading players related to this industry. Last quarter was muted due to elections which also slowed down many project clearances. Pressure on credit availability, delay in payments did not help the overall cause.

B. VISION:

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

C. Business Strategy:

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

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

D. Operations:

Operational excellence is a high impact high priority initiative which has been taken to bring agility and responsiveness in overall system. In pursuit of serving our customer better and faster company has implemented new ERP AXCEPTA from Microsoft. The new ERP (AXCEPTA) implementation is likely to pave way for more integrated and comprehensive functioning improving our efficiency in business practices & improving overall response time

Besides ERP Implementation Company has taken other initiatives like 5S, Visual management and KPI (Key performance indicators) driven approach in order to become more homogeneous and aligned with functional and organisational goal.

E. Capacity expansion:

During this downturn also, we continued to invest in capacity and capability building exercise so as to take maximum advantage of the economic revival .The company expects to see the revival from Q2 in 14-15 and it should be fully ready to tread the growth path right from day one. Company has invested reasonable part of its revenue in expansion of capacities with acquisition of capability in the process as well. We could do this as we continue to believe in our long term strategic plan .The expansion has put us right up there with leading players in the world with respect to overall capacity and ability to respond to the market in LV as well as HV space.

F. 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.

G. Research & Development:

Research & design continue to remain major thrust area for company. The Company introduced major new products in the market for LV, MV and HV. These new products are going to be cornerstone of our future growth and also help increase new product intensity. Company invested approximately 0.5% of revenue in R&D. This helped the company to remain in sync with all state of the art R&D labs across for similar industries. Company also infused competency in the form of reinforcement of R&D team which shall help it to continue the development of various material and product based on the market needs.

H. Risk Management

Though power sector is likely to do well in medium to long term basis part of it will be addressed by import of equipment /subassemblies eating into our share. Many electricity board projects 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.

Since we deal in precious metal it is important that we de risk ourselves from bad debts. In order to mitigate this the company is using credit insurance wherever applicable after thorough scanning and mapping of customers

I. Product wise Performance and Financial Performance:

The Company is Manufacturing Electrical Contacts for Low, Medium & High Voltage Switchgear. During the F.Y. 2013-14, Revenue of the Company was Rs. **18,484.38 Lakh** as compared to Rs.15,977.94 Lakh achieved during the F.Y. 2012-13. There was raise of 15.69 % year to year basis. The profit before tax was increased @ 79.54% i.e by Rs. 817.80 Lakh.

Export Sales of the Company was also grew @ 30.04%, i.e by Rs.834.01 Lakh.

J. Human Resources

HR plays pivotal role in organisational growth and it is imperative that it continue to do so keeping in mind our strategic plan.

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

Company has formulated basic competency framework that shall help for better and consistent hiring helping the organisation at all levels.

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

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

One of the most high impact and high importance initiative PMS (performance management system) has been launched in order to align organisational objectives with individual objectives.

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

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

BSC has four different perspectives:

- The Financial Perspective
- The Customer Perspective
- The Business Process Perspective
- The Learning & Growth Perspective

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

In addition to this company has made arrangement with leading switchgear company to provide training to its employees at company's premise which shall stand in good stead with respect to skill building and competency infusion. Besides this Company has devised plan to conduct industrial tour to various customers in order to have fruitful, relevant exposure to its employees which shall also help the employees to deploy the learnings horizontally within its premise.

K. Business development & growth:

The company has taken international business development as one of the high impact business strategy to achieve its strategic plan. Participation in WIN exhibition in Hannover, Germany is step towards this direction. The plan to appoint representatives and agents in new geographies was decided and we could add one agent in east Europe. The company plan to enter two new geographies directly.

To increase its global footprint the company for the first time participated in IEEE PEs T&D 2014 Chicago USA. USA is the only developed economy which has shown some positive economic indicators and company will pursue exploring this market to first formulate strategy and then follow it to have the presence to boost international growth.

On domestic front sales & marketing has been re-jigged to have a standalone region specific and product specific strategy which gives impetus to sales in the respective segment. The restructuring has started giving dividends and the company could develop and supply few new products in the domestic market. The company expects to leverage the new products by improving the new product intensity. For certain products it has been envisaged to take the retailing route in order to enhance sales.

L. Corporate Social Responsibility:

The company runs a charitable trust named Modison Charitable Trust which in turn runs a maternity hospital. It donates free beds for needy patients from time to time.

The trust is also engaged in providing scholarships to needy students in order to contribute to their future in humble way. The trust also provided financial support to its employees for fatal diseases and unforeseen circumstances like accidents to its employee and its dependent. The company is trying to tie up with major medical institutes to formulate procedures to ease up the medical facilities and urgent medical treatment.

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 serves the goal of value creation. Good governance is an integral part of MML Management, in its pursuit of excellence, growth and value creation with a clear focus on its employees, customers, shareholders and the community at large – its stakeholders, beyond the metric of stock market and market capitalization.

Corporate Governance is not merely compliance – it is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to customer need, shareholder benefit and employee growth, thereby delighting all its stakeholders while minimizing risks.

In so far as compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchange, Mumbai, the Company is in full compliance with the norms and disclosures that have to be made on Corporate Governance Format.

2. BOARD OF DIRECTORS

a) Composition of the Board

The company is fully compliant with the Corporate Governance norms in terms of constitution of the Board. The Board of Directors has an optimum combination of Executive and Non-Executive Directors with more than 50% of Directors being Non-Executive Directors. The Board of Directors as on 31st March, 2014 comprises of 8 directors and represents the optimum mix of professionalism, knowledge and experience.

The Board's composition is in accordance with the requirements of Clause 49 of the Listing Agreement.

None of the Directors on the Board is a member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees as per Clause 49 across all companies in which they are directors.

Directors' Attendance Record and Directorship/ Committee Membership/ Chairmanship held

Name of Director	Executive / Non-Executive / Independent	Relationship with Other Directors	Board Meetings attended during the year	Whether attended last AGM	Directorships* including MML)	Committee Position (Including MML)	
						Chairman	Member
Mr. Ranjan Dasgupta - Chairman	Non-Executive & Independent	None	4	Yes	1	2	Nil
Mr. G. L. Modi - Managing Director	Executive	Father of Mr. Kumar Jay Modi	6	Yes	1	Nil	1
Mr. Suresh Mody	Non-Executive	None	6	Yes	1	Nil	1
Mr. Rajkumar Modi - Wholetime Director	Executive	None	5	Yes	1	Nil	2
Mr. Kumar Jay. Modi	Executive	Son of Mr. G.L.Modi	5	Yes	1	Nil	Nil
Mr. Shravan Sharma	Non-Executive & Independent	None	1	N.A.	2 (Resigned w.e.f. 13.06.2013)	2	Nil
Mr. Satish Mody	Non-Executive & Independent	None	Nil	N.A.	1 (Resigned w.e.f. 20.06.2013)	Nil	1
Mr. Ramavtar Goenka	Non-Executive & Independent	None	5	Yes	2	Nil	1
Mr. Anil Lohia	Non-Executive & Independent	None	1	N.A.	2 (Resigned w.e.f. 14.06.2013)	Nil.	1
Mr. B.B. Singh	Executive	None	6	Yes	1 (Resigned w.e.f. 07.05.2014)	Nil	Nil
Mr. L.P. Aggarwal	Non-Executive & Independent	None	4	Yes	3	Nil	4

* Number of Directorships/memberships held in other companies excludes directorship/member in Private Limited Companies, Foreign Companies and Companies under section 25 of the Companies Act, 1956.

An Independent Director is a Director who:

- a) apart from receiving director's remuneration does not have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates which may effect independence of the Director.
- b) is not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- c) has not been an executive of the company in the immediately three preceding financial years.
- d) is not a partner or an executive or was not partner or an executive during three preceding years of any of the following:-
 - i) Statutory audit firm or the internal audit firm, i.e. associated with the company, and
 - ii) The legal firm(s) and consulting firm(s) that have a material association of the company.
- e) is not a material supplier, service provider or customer or a lessor or lessee of the company which may affect the independence of the Director.
- f) is not a substantial shareholder of the company, i.e. owning 2% or more of the block of voting shares.
- g) Is not less than 21 years of age.

b) APPOINTMENT / REAPPOINTMENT OF DIRECTORS:-

Mr. Ranjan Dasgupta, Mr. Rajkumar Modi and Mr. Kumar Jay Modi retire by rotation at the ensuing Annual General meeting and being eligible offer themselves for re-appointment. Approval of the shareholders is sought at the ensuing Annual General Meeting for their re-appointment as Directors of the Company. The list containing the details of the Directors seeking re-appointment at the 31st Annual General Meeting is given below:-

	Name of the Director	Mr. Ranjan Dasgupta	Mr. Rajkumar Modi	Mr. Kumar Jay Modi
i)	Date of birth	28.10.1940	08.03.1965	05.12.1978
ii)	Date of Appointment	09.06.1998	09.06.1998	01.04.2012
iii)	Qualification	B.Sc (Hons), B.E., MBA- Post Graduate (Equivalent) TQM	B. Com., MBA	B.Com.
iv)	Expertise in specific functional area	38 years tenure with Crompton Greaves Ltd., retired as Member Board and President Power Systems	He has a sharp business acumen, stronghold in export market and excellent administrative skills.	International Sales & Marketing
v)	List of other public limited companies (in India) in which outside directorship held	NIL	NIL	NIL
vi)	Member of the committee/s of Board of Member of the committee/s of Board of Directors of other companies in which he is a Director	NIL	NIL	NIL

c) BOARD MEETINGS AND GENERAL MEETINGS:

The meetings of the Board of Directors are held in Mumbai. The Board meets at least once in a quarter interalia to review the quarterly performance and financial results. The Board meets at least 4 times in a year and the gap between two Board Meetings is not more than 4 months as per the Clause 49 of the Listing Agreement.

Six meetings were held during the year ended 31st March 2014. They were on 23.05.2013, 24.06.2013, 15.07.2013, 06.08.2013, 28.10.2013 and 27.01.2014.

The Board is apprised and informed of all the important matters relating to the business of the Company including those information as prescribed in Annexure 1 A of the revised Clause 49 of the Listing Agreement. The Managing Director finalises the items to be included in the agenda of the meeting and the same is sent to the members of the Board in advance along with the relevant details and explanatory notes wherever required.

d) Information supplied to the Board

Among others, this includes:

- ◆ Review of annual operating plans of businesses, capital budgets, updates,
- ◆ Quarterly results of the company and its operating divisions or business segments,
- ◆ Minutes of meeting of Remuneration Committee and other Committees of the Board,
- ◆ Information on recruitment and remuneration of senior officers just below the Board level,
- ◆ Materially important show cause, demand, prosecution and penalty notices,
- ◆ Any materially significant effluent or pollution problems,
- ◆ Significant labour problems and their proposed solutions,
- ◆ Significant development in the human resources and industrial relation fronts,
- ◆ Non – compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board of the Company is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings.

3. BOARD COMMITTEES:

The Board has constituted the following committees of Directors:-

- I) Audit Committee
- II) Remuneration Committee
- III) Shareholder's Grievance Committee.

I) AUDIT COMMITTEE:

a) Composition:

The Audit Committee comprises of four Directors and three of them are Independent Directors including the Chairman of the Audit Committee. The details of the Members are as under:-

<u>Name of the Directors</u>	<u>Category</u>
Mr. Ranjan Dasgupta	Chairman, Non-Executive and Independent (w.e.f.24.06.13)
Mr. R.A. Goenka	Non-Executive and Independent (w.e.f.24.06.13)
Mr. L.P. Aggarwal	Non-Executive and Independent (w.e.f.15.07.13)
Mr. Rajkumar Modi	Executive
Mr. Shravan Sharma	Chairman, Non-Executive and Independent (Till 13.06.13)
Mr. Anil Lohia	Non-Executive and Independent (Till 14.06.13)
Mr. Satish Mody	Non-Executive and Independent (Till 20.06.13)

The Compliance Officer: Mr. Ramesh Kothari acts as Secretary of the Audit Committee. The members of the Audit Committee are financially literate and one member has accounting and related financial management expertise. The chairman of the Audit Committee was present in the Last Annual General Meeting. Audit Committee was reconstituted during the financial year ended 31st March, 2014.

b) Terms of Reference:

The terms of reference of the Audit Committee include the matters specified under sub clause (ii) and described under sub clause (iv) of the clause 49 of the Listing Agreement.

c) Power of Audit Committee: The Audit Committee has the following powers:-

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

d) The role of Audit Committee includes the following:-

- i) Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the Financial Statement is correct, sufficient and credible;
- ii) Recommending the appointment, reappointment and if required replacement or removal of statutory auditor and fixation of audit fees;
- iii) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- iv) Reviewing with management the annual financial statements before submission to the Board for approval with particular reference to:
 - a) Matters required to be included in Director's responsibility statement to be included in the Board's Report terms of clause 2AA of section 217 of the Companies Act, 1956;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statement arising out of audit findings;
 - e) Compliance with Listing and other legal requirements relating to financial statements.
 - f) Disclosures of related party transactions.
 - g) Qualifications in draft Audit Report.

- v) Reviewing with the management, the quarterly financial statement before submission to the Board for approval.
- vi) Reviewing with the management the performance of statutory auditors/ Internal auditor, adequacy of internal control systems.
- vii) Review the adequacy of Internal Audit function.
- viii) 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.
- ix) 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.
- x) 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.
- xi) To review the function of Whistle Blower Mechanism.
- xii) Carrying out any other function as mentioned in the terms of reference of Audit Committee.

Review of Information by the Audit Committee:

The Audit Committee reviews the following information:

1. The management discussion and analysis of financial condition and results of operations
2. The statement of significant related party transactions (as defined by the Audit Committee) submitted by the Management.
3. Management letters / letters of internal control weaknesses issued by statutory auditors, and
4. Internal audit reports relating to Internal control weakness.

Audit Committee meetings and attendance:

Four Audit Committee Meetings were held during the year ended 31st March, 2014 on 23.05.2013, 06.08.2013, 28.10.2013 and 27.01.2014.

Details of attendance of each Director at the Audit Committee Meetings are given below:-

<u>Sr. No.</u>	<u>Name of the Directors</u>	<u>No. of Meetings attended</u>
1.	Mr. Ranjan Dasgupta	2
2.	Mr. R.A. Goenka	2
3.	Mr. L.P. Aggarwal	3
4.	Mr. Rajkumar Modi	3
5.	Mr. Sharavan Sharma (Resigned w.e.f. 13.06.2013)	1
6.	Mr. Anil Lohia (Resigned w.e.f. 14.06.2013)	1
7.	Mr. Satish Mody (Resigned from 20.06.2013)	Nil

II. REMUNERATION COMMITTEE

a. Terms of Reference:

The Company's Remuneration Committee is vested with all the necessary powers and authority to ensure appropriate disclosure on the remuneration of whole-time director and to deal with all the elements of remuneration package of Directors and Management Personnel.

b) Composition and Details of Attendance of Remuneration Committee:

<u>Sr. No.</u>	<u>Name of the Directors</u>	<u>Status</u>	<u>No. of Meetings attended</u>
1.	Mr. R.A. Goenka	Chairman (w.e.f.24.06.13)	Nil
2.	Mr. Ranjan Dasgupta	Member (w.e.f.24.06.13)	Nil
3.	Mr. L.P. Aggarwal	Member (w.e.f.15.07.13)	Nil
4.	Mr. Suresh Mody	Member (from 24.06.13 to 15.07.13)	Nil
5.	Mr. Shravan Sharma (Resigned w.e.f. 13.06.2013)	Chairman (till 13.06.13)	1
6.	Mr. Anil Lohia (Resigned w.e.f. 14.06.2013)	Member (till 14.06.13)	1
7.	Mr. Satish Mody (Resigned w.e.f. 20.06.2013)	Member (till 20.06.13)	Nil

During the financial year 2013-14, one Remuneration Committee meeting was held on 23.05.2013. Remuneration Committee was reconstituted during the financial year ended 31st March, 2014. .

c) Remuneration Policy:

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

d) Remuneration paid to all the Directors:

Executive Director: Managing Director / Wholetime Directors.

The Managing Director remuneration is approved by the Central Government. The Wholetime Director remuneration is being paid in accordance with and subject to the limits laid down in Schedule XIII of the Companies Act, 1956. The remuneration to the Managing Director / Wholetime Director is approved by the Remuneration Committee, Board of Directors and subsequently ratified by the Shareholders in the meeting.

i) The Remuneration (including perquisites and benefits) paid to the Managing Director / Wholetime Director during the year ended 31st March 2014 is as follows:-

Name of director	Sitting Fees	Salary	Perquisites	Gratuity Provision	Contribution to PF	Amount in Rupees
						Total
G. L. Modi	-	9,855,323	138,862	121,155	11,520	10,126,860
Rajkumar Modi	-	3,550,000	238,666	977,885	11,520	4,778,071
B.B. Singh	-	2,410,171	62,500	--	11,520	2,484,191
Kumar Jay Modi	-	1,500,000	25,8845	432692	11,520	2,203,057

ii) Service Contracts, Severance Fees and Notice Period:

The appointment of the Managing Director is for a period of 3 years from 09.07.2012 to 08.07.2015 and the appointment of Wholetime Director of Mr. Rajkumar Modi is for a period of 3 years, from 01.06.2013 to 31.05.2016, the appointment of Mr. Kumar Jay Modi is for period of 3 years from 01.04.2012 to 31.03.2015 and appointment of Mr. B.B. Singh was for a period of five years from 29.05.2010 to 28.05.2015. Mr. B.B. Singh has resigned w.e.f. 07.05.2014.

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

iii) Performance linked incentive criteria:

No such performance linked incentives are given to the appointees.

- iv) Employee Stock Option Scheme:
The Company does not have any stock option scheme.

Non-Executive Directors:

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

- (v) Mr. Ranjan Dasgupta is paid Professional Fees of Rs.3,00,000/- for financial year 2013-14 for rendering professional services.

Mr. Suresh Mody is also paid Professional Fees of Rs.10,00,000/- for the financial year 2013-14 for rendering Professional Services.

The details of Sitting Fees paid to Non-Executive Directors for attending Board and Committee Meetings during the year 2013-14 are given below:

Name of the Director	Director Sitting Fees (Rs)
Mr. Ranjan Dasgupta*	60,000
Mr. Suresh Mody	60,000
Mr. R.A. Goenka*	70,000
Mr. L.P. Aggarwal*	70,000
Mr. Shravan Sharma*	30,000
Mr. Anil Lohia*	30,000

* includes fees for Audit Committee & Remuneration Committee Meetings.

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

Name of the Director	No. of Shares
Mr. Ranjan Dasgupta	Nil
Mr. Suresh Mody	227,240
Mr. R.A. Goenka	1,000
Mr. L.P. Aggarwal	Nil
Mr. Shravan Sharma (till 13.06.13)	Nil
Mr. Anil Lohia (till 14.06.13)	Nil
Mr. Satish Mody (till 20.06.13)	313,475

III. SHAREHOLDERS' GRIEVANCE COMMITTEE:

The Board of Directors had constituted the Shareholders Grievance Committee. The Committee redresses complaints received from shareholders relating to transfer and transmission of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

Composition of the Committee:

Mr. Ranjan Dasgupta, Non-Executive and independent Director is the Chairman of the Shareholders' Grievance committee.

The Composition of the Shareholders' Grievance committee is detailed below:-

Name of the Director	Executive / Non-Executive
Mr. Ranjan Dasgupta	Non- Executive and Independent (w.e.f.24.06.13)
Mr. Shravan Sharma	Non- Executive and Independent (till 13.06.13)
Mr. G. L. Modi	Executive
Mr. Rajkumar Modi	Executive

Mr. Ramesh Kothari, Vice President – Finance, is acting as the Compliance Officer of the Committee.

During the year, no complaint was received, and no request for share transfer and dematerialization received during the Financial Year was pending for more than two weeks. Shareholders Grievance Committee was reconstituted during the financial year ended 31st March, 2014..

4) GENERAL BODY MEETINGS:

a) Particulars of General Meetings held during last three years:-

Annual General Meetings:

Financial year	Date	Time	Venue
2010-11	26.07.2011	11:30 A.M.	Radio Room, Bombay Presidency Radio Club Ltd., Arthur Bunder Road, Colaba, Mumbai
2011-12	07.08.2012	11:30 A.M.	
2012-13	10.09.2013	11:30 A.M.	

The following Special Resolutions were passed at the AGM held on 26.07.2011.

(i) Borrowing of Money Power to Board of Directors of the company u/s 293(1)(d) of the Companies Act 1956.

(ii) Power to create charge, Mortgage etc. in Movable/ Immovable Properties u/s 293(1)(a) of the Companies Act 1956.

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

(i) Re-appointment and Remuneration of Mr. G.L. Modi Managing Director of the company.

(ii) Appointment and Remuneration of Mr. Kumar Jay Modi Wholetime Director of the company.

(iii) Appointment of Mr. Suresh Chandra Mody Director of the Company, as a Consultant of the company.

(iv) Appointment of Mr. Ranjan Dasgupta, Director of the Company, as a Consultant of the company.

No special resolution was passed at the AGM held on 10.09.2013.

b. Postal Ballots:

The following Resolutions were put through Postal Ballot during F.Y. 2010-11.

- a) To alter the Object clause of the Memorandum of Association of the company.
- b) To commence new business.

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

5. OTHER DISCLOSURES:

- a) There are no materially significant related party transaction, i.e. transaction of the company of material nature with its Promoters, the directors or the Management etc. that may have potential conflict with the interests of the company at large.
- b) Related party transactions are disclosed in Note No. 30 to the financial statement in the Annual Report. The Audit Committee had reviewed the related party transactions as mandatory requirement under clause 49 of the Listing Agreement.
- c) The Company had complied with the requirement of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No pecuniary structures have been imposed on the Company by any of the above mentioned authorities.
- d) The Company has already put in place a system for employees to report the management about concerns relating to unethical behaviour, any fraud or violation of Company's Code of Conduct and the access has been provided up to the higher level of supervision including the Audit Committee.
- e) The Company has complied with all the mandatory requirements and has also disclosed information relating to non-mandatory requirements.

6. MEANS OF COMMUNICATION:

- a) Quarterly un-audited Financial Results were published in the Economic Times, Navbharat Times and Maharashtra Times Newspaper. The half yearly report is not sent separately to the Shareholders. Annual Reports are sent to each shareholder at their Registered Address with the Company. The Company's website is: www.modison.com. The Company has updated the quarterly results on its website and also in other official news.
- b) Management Discussion and Analysis Report:
The Management Discussion and Analysis Report forms part of the Director's Report. All matters relating to Industry Structures and Development, Opportunities and Threats, Segment wise and Product wise performance, Outlook, Risks and Concern, Internal Control System and its adequacy, Discussion on financial performance with respect to operational performance, material development in human resources are discussed in the Director's Report.

GENERAL SHAREHOLDER INFORMATION:

- | | |
|--|--|
| a) 31st AGM Date and time: | 09th September, 2014 |
| Time: | 11:30 A.M. |
| Venue: | Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai – 400005. |
| b) Financial year of the Company | April – March each year |
| c) Book Closure Date: | 02 nd Sept 2014 to 09 th Sept 2014 (Both days inclusive) |
| d) Listing on Stock Exchanges: | BSE Ltd., Mumbai. |

- e) Stock Code: 506261 (Bombay Stock Exchange Ltd.)
- f) Payment of annual Listing Listing Fees for the Financial Year: 2013-14 has been paid to the BSE.
- g) Dividend Payment Date: The dividend recommended by the Board of Directors, if declared, in the ensuing AGM should be deposited in a separate Bank Account within 5 days of its declaration and shall be paid by 8th October, 2014 to the Shareholders.
- h) Financial Calendar (provisional):
- | | |
|----------------------------------|-----------------------------|
| 1 st Quarterly Result | First week of August 2014 |
| 2 nd Quarterly Result | First week of November 2014 |
| 3 rd Quarterly Result | First week of February 2015 |
| Annual Results | Last week of May 2015 |

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

Month	Stock Exchange, Mumbai		BSE Sensex	
	Highest (Rs.)	Lowest (Rs.)	Highest (Rs.)	Lowest (Rs.)
Apr. 2013	36.90	29.00	19,622.68	18,144.22
May 2013	34.00	25.65	20,443.62	19,451.26
June 2013	33.90	28.05	19,860.19	18,467.16
July 2013	32.25	24.10	20,351.06	19,126.82
Aug. 2013	26.95	21.35	19,569.20	17,448.71
Sept. 2013	31.65	23.50	20,739.69	18,166.17
Oct. 2013	33.70	26.00	21,205.44	19,264.72
Nov. 2013	31.00	26.55	21,321.53	20,137.67
Dec. 2013	31.00	26.40	21,483.74	20,568.70
Jan. 2014	32.45	29.05	21,409.66	20,343.78
Feb. 2014	34.00	30.00	21,140.51	19,963.12
Mar. 2014	33.05	29.00	22,467.21	20920.98

- a) 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.

- b) Registrar & Transfer Agent (For physical and Demat)
- FREEDOM REGISTRY LIMITED
(Formerly AMTRAC MANAGEMENT SERVICES LTD.)
Plot No. 101/102 MIDC, 19th Street, Satpur, Nasik – 422 007
Tel: 95-253-2354032
Fax: 95-253-2351126
Email :amtrac_nsk@sancharnet.in
- Mumbai Liaison Office:**
104, Bay Side Mall, 35/C, M.M. Malviya Marg, Tardeo Road, Haji Ali, Mumbai-34
Tel: 022 23525589

- j) Distribution of Shareholding As on 31.03.2014

Slab	No. of shareholders		No. of Equity Shares	
	Total	%	Total	%
1 ~ 100	1,065	32.91	67,496	0.20
101 ~ 200	487	15.04	89,823	0.28
201 ~ 500	695	21.47	275,385	0.85
501 ~ 1000	425	13.13	378,411	1.17
1001 ~ 5000	371	11.46	894,514	2.76
5001 ~ 10000	69	2.13	545,766	1.68
10001 & Above	125	3.86	30,198,605	93.06
Total:	3,237	100.00	32,450,000	100.00

k) Shareholding Pattern: As on 31st March, 2014

Category	No. of Equity shares	%	
Promoters Holding	Promoters	16,695,083	51.45
Non-Promoters Holding	FII's	50,000	0.15
	Private Corporate Bodies	14,68,968	4.53
	NRIs / OCBs	1,73,977	0.54
	Indian Public	14,061,972	43.33
	Total:	32,450,000	100.00

l) 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 31.03.2014 is 32,407,830.

m) Outstanding GDRs / Warrants or any convertible instruments Nil

n) Registered Office: 33 Nariman Bhavan,
227 Nariman Point,
MUMBAI – 400021.

o) Works: Plot No. 85/A, B, D & E, Phase 1, Road 'E', VAPI – 396195

p) Address for correspondence: 33 Nariman Bhavan, 227 Nariman Point, MUMBAI – 400021.

q) Compliance Certificate by Auditors:

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of Corporation Governance as stipulated in Clause 49 of the Listing Agreement, which is given as an annexure to Directors' Report.

r) Compliance with Non-Mandatory Requirement of Clause 49 of the Listing Agreement:

The status of compliance with the non-mandatory requirement is as under:-

i) Whistle Blower Policy:

The Company has already put a system for employees to report to the management about concerns relating to unethical behaviour; any fraud or violation of Company's Code of Conduct and the access has been provided up to the higher level of supervision including the Audit Committee.

ii) The company has constituted remuneration committee. The details of composition, terms of reference etc are mentioned as a part of the Corporate Governance report.

iii) Other Non-Mandatory requirements:

The Company is in the process of implementation of other non-mandatory requirements.

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

As Managing Director of the Company and as required by the Clause 49 of the Listing Agreement, I hereby certify that all the Board Members and Senior Management Personnel have affirmed their compliance with the code of conduct as laid down by the Board.

G. L. MODI
Managing Director

Place: Mumbai
Date : 26th May, 2014

t) Certification by Chief Executive Officer:

As the Managing Director of the Company and as required by the Clause 49 of the Listing Agreement, I hereby certify the following that:

- A) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge, information and belief:
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are to the best of my 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.
- C. The Company's other officers and I are responsible for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify those deficiencies.
- D. I have indicated to the auditors and the Audit Committee that:
- i) No significant changes in internal control have taken place during the year.
 - ii) There have been no changes in the accounting policies during the year.
 - iii) There were no frauds during the year.

G. L. MODI
Managing Director

Place: Mumbai
Date : 26th May, 2014

The above Report was adopted by the Board of Directors at their meeting held on 26th May, 2014.

ANNEXURE TO THE REPORT OF THE DIRECTORS

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE.

To the Shareholders of **MODISON METALS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **MODISON METALS LIMITED** for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M. L. BHUWANIA & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No. :- 101484W

ASHISH BAIRAGRA
PARTNER
Membership No.109931
Place : Mumbai
Date : 26th May, 2014

TO THE MEMBERS OF MODISON METALS LIMITED**Report on the Financial Statements**

We have audited the accompanying financial statements of MODISON METALS LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2014, 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 Standards notified under the Companies Act, 1956 (“the Act”) read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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, 2014;
- (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

1. 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, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. 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;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - e. On the basis of the written representations received from the Directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Ashish Bairagra
Partner
Membership No.109931

Place: Mumbai
Date: 26th May, 2014

Annexure referred to in Paragraph titled as “Report on Other Legal and Regulatory Requirements” of Auditor’s report to the members of MODISON METALS LIMITED for the year ended March 31, 2014.

On the basis of the records produced to us for our verification / perusal, such checks as we considered appropriate, and in terms of information and explanation given to us on our enquiries, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, 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 verification were not material and have been properly dealt with in the accounts.
- (c) In our opinion and according to the information and explanations given to us, there was no substantial disposal of fixed assets during the year.
- (ii) (a) As explained to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of account.
- (iii) As informed to us, the company has neither taken nor granted any loan, secured or unsecured to/from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. Accordingly, clause 4 (iii) of the order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) (a) On the basis of our examination of the documents and records and according to the information and explanation given to us, we are of the opinion that during the year, the particulars of the contracts/arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) According to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding the value of rupees five lacs in respect of any party during the year, except transactions for items purchased of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, in our opinion, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) The Company has not accepted any deposits from the public during the year covered by the audit. Accordingly, clause 4 (vi) of the Order is not applicable to the Company.
- (vii) *The company has an in house internal audit system which in our opinion is not commensurate with the size and nature of its business and needs to be strengthened.* However, on the basis of a broad review of the internal control system, we are of the opinion that there is adequate internal control system commensurate with the size of the company and the nature of its business.
- (viii) The Central Government has prescribed maintenance of cost records under clause (d) of sub section (1) of section 209 of the Companies Act, 1956 and such accounts have been made and maintained by the Company. However, no detailed examinations of such records and accounts have been carried out by us.
- (ix) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable were outstanding at the year end for a period of more than six months from the date they became payable.

According to the records of the Company, there are no dues of Excise Duty, Custom Duty, Sales Tax, Wealth Tax and Cess, which have not been deposited on account of any dispute.

The disputed amounts that have not been deposited in respect of Income Tax and Service Tax are as under:

Name of the Statute	Nature of Dues	Amount (Rs.)	Financial year to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Dues	71,11,750	2010-2011	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Service Tax Dues & Penalties	1,90,188	2006-2007 to 2009-2010	Honourable CESTAT
Central Excise Act, 1944	Service Tax Dues & Penalties	14,39,366	2006-07 to 2010-2011	Commissioner of Central Excise (Appeals)

- (x) The Company does not have accumulated losses at the end of the financial year. Further, the Company has not incurred any cash losses during the financial year ended March 31, 2014 and in the immediately preceding financial year ended March 31, 2013.
- (xi) On the basis of our examination of the documents and records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks during the year. The Company has not taken any loans from financial institutions and has not issued debentures during the year.
- (xii) On the basis of our examination of the documents and records and according to the information and explanation given to us, the Company has not granted any loans and advances during the year on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Order is not applicable to the Company.

- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies. Accordingly, clause 4 (xiii) of the Order is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the Order is not applicable to the Company.
- (xvi) On the basis of our examination of the documents and records and according to the information and explanations given to us, we are of the opinion that term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we are of the opinion that no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed by us and according to the information and explanations given by the management, no fraud on or by the Company has been noticed or reported during the year.

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

Ashish Bairagra
Partner
Membership No.109931

Place: Mumbai
Date: 26th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31 Mar 2014 Rupees	As at 31st Mar, 2013 Rupees
I EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	1	32,450,000	32,450,000
(b) Reserves & Surplus	2	925,958,257	852,231,078
(2) Non-current liabilities			
(a) Long - term borrowings	3	8,013,654	29,625,603
(b) Deferred tax liabilities (Net)	4	83,709,418	76,850,400
(c) Long - term provisions	5	5,717,885	4,150,960
(3) Current liabilities			
(a) Short - term borrowings	6	223,934,075	178,340,266
(b) Trade payables	7	29,271,465	30,069,414
(c) Other current liabilities	8	112,264,981	192,419,219
(d) Short - term provisions	9	49,895,320	40,387,760
TOTAL		<u>1,471,215,055</u>	<u>1,436,524,700</u>
II ASSETS			
(1) Non - current assets			
(a) Fixed assets	10		
(i) Tangible assets		595,856,172	603,511,211
(ii) Intangible assets		5,493,266	4,658,259
(iii) Capital work - in - progress		5,109,277	12,697,853
(b) Long - term loans and advances	11	54,821,448	48,634,483
(2) Current assets			
(a) Inventories	12	440,499,098	463,437,641
(b) Trade receivables	13	326,149,960	197,738,481
(c) Cash and cash equivalents	14	17,071,356	87,257,587
(d) Short - term loans and advances	15	22,900,830	16,626,722
(e) Other current assets	16	3,313,648	1,962,463
TOTAL		<u>1,471,215,055</u>	<u>1,436,524,700</u>

Contingent Liabilities and commitments 17

NOTES ON ACCOUNTS 1 to 39

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

As per our report of attached even date.

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

FOR AND ON BEHALF OF THE BOARD

ASHISH BAIRAGRA
PARTNER
MEMBERSHIP NO.109931

G.L. MODI
MANAGING DIRECTOR

SURESH MODY
DIRECTOR

PLACE : MUMBAI
DATED : 26TH MAY, 2014

PLACE : MUMBAI
DATED : 26TH MAY, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	For the period ended 31st March, 2014 Rupees	For the year ended 31st March, 2013 Rupees
INCOME:			
Revenue from operations	18	1,835,782,585	1,591,077,779
Other income	19	12,655,905	6,715,916
Total Revenue		1,848,438,490	1,597,793,695
EXPENSES:			
Cost of material consumed	20	1,267,783,418	1,171,248,621
Changes in inventories of finished goods and work - in - progress	21	44,984,001	(6,886,428)
Employee benefits expense	22	90,598,028	83,081,967
Finance costs	23	28,938,641	31,569,591
Depreciation & amortization expense (Refer Note No. 10.3)	10	62,238,088	60,457,617
Other Expenses	24	177,196,564	155,506,846
Total Expenses		1,671,738,740	1,494,978,214
Profit before exceptional and extraordinary items & tax		176,699,750	102,815,481
Exceptional Items	25	7,894,531	-
Profit before extraordinary items and tax		184,594,281	102,815,481
Extraordinary Items		-	-
Profit before tax		184,594,281	102,815,481
Tax expenses:			
(1) Current tax			
of Current years		55,900,000	25,000,000
of Earlier years		(12,573)	33,447
(2) Deferred tax		6,859,018	12,181,872
Profit for the period		121,847,836	65,600,162
Earning per equity share:	26		
(1) Basic		3.75	2.02
(2) Diluted		3.75	2.02
(3) Face Value per share		1.00	1.00

NOTES ON ACCOUNTS

1 to 39

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

As per our report of attached even date.

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

FOR AND ON BEHALF OF THE BOARD

ASHISH BAIRAGRA
PARTNER
MEMBERSHIP NO.109931

G.L. MODI
MANAGING DIRECTOR

SURESH MODY
DIRECTOR

PLACE : MUMBAI
DATED : 26TH MAY, 2014

PLACE : MUMBAI
DATED : 26TH MAY, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	2013-14 RUPEES	2012-13 RUPEES
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Extraordinary Items	184,594,281	102,815,481
Adjustment for:		
Dividend Income on Long Term Non trade investments	-	-
Depreciation /Amortisation	62,238,088	60,457,617
Interest income	(1,169,491)	(805,197)
Interest expense	26,927,015	27,532,807
(Profit)/Loss on Sale of Assets/Obsolence of Fixed Assets (Net)	505,030	1,791,303
Sundry Balances written off/(back) (net)	1,044,064	(268,906)
Unrealised Exchange Rate Fluctuation (Net)	225	581,005
	<u>89,544,931</u>	<u>581,005</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>274,139,212</u>	<u>192,104,110</u>
ADJUSTMENTS FOR WORKING CAPITAL CHANGES :		
Trade Receivables	(131,312,580)	(37,264,941)
Inventories	22,938,543	33,853,719
Other Current Assets	(279,687)	(817,923)
Loans & Advances	(9,069,774)	33,157,599
Current Liabilities and Provision	<u>(75,025,514)</u>	<u>50,699,873</u>
	<u>(192,749,012)</u>	<u>79,628,327</u>
Cash Generated from Operations	81,390,200	271,732,437
Direct Taxes paid	<u>(57,467,500)</u>	<u>(33,573,453)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>23,922,700</u>	<u>238,158,984</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including advances for capital goods	(60,052,735)	(124,067,939)
Sale of Fixed Assets	713,800	1,845,715
Interest Received	<u>96,151</u>	<u>649,353</u>
	<u>(59,242,784)</u>	<u>(121,572,871)</u>
NET CASH USED IN INVESTING ACTIVITY	<u>(59,242,784)</u>	<u>(121,572,871)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings (Net)	26,078,536	22,977,330
Interest Paid	(27,166,872)	(28,440,478)
Dividend Paid (Inclusive of Dividend Distribution Tax)	<u>(37,904,523)</u>	<u>(37,730,389)</u>
	<u>(38,992,859)</u>	<u>(43,193,537)</u>
NET CASH USED IN FINANCING ACTIVITY	<u>(38,992,859)</u>	<u>(43,193,537)</u>
NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	<u>(74,312,943)</u>	<u>73,392,576</u>
OPENING BALANCE OF CASH & CASH EQUIVALENTS	74,806,836	1,414,260
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	<u>493,893</u>	<u>74,806,836</u>
	<u>(74,312,943)</u>	<u>73,392,576</u>

Notes
Closing Balance of Cash & Cash Equivalents

1 Cash and Cash Equivalents Includes:		
<u>BALANCE WITH SCHEDULED BANKS</u>		
In Current Account	325,758	1,171,608
CASH ON HAND	168,135	171,752
CHEQUES IN HAND	-	73,463,476
	<u>493,893</u>	<u>74,806,836</u>

2 Interest received excludes interest received on account of income tax refund of Rs. Nil /- (Previous Year Rs. 1,49,302/-) and interest on account of customers of Rs 6,42,259/- (Previous Year Rs. 2,31,382/-), which has been considered from operational activities of the company.

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

As per our report of attached even date.

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

FOR AND ON BEHALF OF THE BOARD

ASHISH BAIRAGRA
PARTNER
MEMBERSHIP NO.109931

G.L. MODI
MANAGING DIRECTOR

SURESH MODY
DIRECTOR

PLACE : MUMBAI
DATED : 26TH MAY, 2014

PLACE : MUMBAI
DATED : 26TH MAY, 2014

NOTES ON ACCOUNTS

Amount in Rs.

1 SHARE CAPITAL

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Authorized Shares		
32,500,000 Equity shares, Re. 1/- par value (Previous Year 32,500,000 equity shares Re. 1/- par value)	32,500,000	32,500,000
	<u>32,500,000</u>	<u>32,500,000</u>
Issued, Subscribed and Fully Paid Up Shares		
32,450,000 Equity shares, Re. 1/- par value (Previous Year 32,450,000 equity shares Re. 1/- par value)	32,450,000	32,450,000
	<u>32,450,000</u>	<u>32,450,000</u>
Total Issued, Subscribed and Fully Paid Up Share Capital	<u>32,450,000</u>	<u>32,450,000</u>

Note No 1.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2014 :

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Number of shares at the beginning	32,450,000	32,450,000
Add: Shares issued during the year	-	-
Less : Shares bought back	-	-
Number of shares at the end	<u>32,450,000</u>	<u>32,450,000</u>

Note No 1.2: Terms/rights attached to equity shares

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

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

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

Name of the shareholders	No. of shares	% held as at	No. of shares	% held as at
	held	March 31, 2014	held	March 31, 2013
Mr. G.L. Modi	7,158,370	22.06%	7,158,370	22.06%
Mr. Rajkumar Modi	6,701,210	20.65%	6,673,210	20.56%
Mr. Prakashchandra Modi	4,660,488	14.36%	4,660,488	14.36%
Mr. Kumar Jay Modi	1,774,000	5.47%	1,746,000	5.38%

2 RESERVES & SURPLUS

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Capital Reserve		
As per last Balance Sheet	19,087,980	19,087,980
Revaluation Reserve		
Opening Balance	4,293,250	5,039,062
Less : Recoupment of depreciation on revalued assets	613,217	671,220
Less : Transfer to General reserve on sale of assets	-	74,592
Less : Loss on sale of revalued fixed assets	51,343	-
Closing Balance	<u>3,628,690</u>	<u>4,293,250</u>
General Reserve		
Opening Balance	100,868,763	94,094,171
Add: Transferred from surplus	12,185,000	6,700,000
Add: Transferred from revaluation reserve on sale of assets	-	74,592
Closing Balance	<u>113,053,763</u>	<u>100,868,763</u>
Surplus		
Opening Balance	727,981,085	707,045,801
Add: Transferred from Statement of Profit and Loss	121,847,836	65,600,162
Amount available for appropriation	849,828,921	772,645,963
Less : Appropriations		
Proposed Dividend	40,562,500	32,450,000
Dividend Tax on Proposed Dividend	6,893,597	5,514,878
Amount transferred to General Reserve	12,185,000	6,700,000
Closing Balance	<u>790,187,824</u>	<u>727,981,085</u>
Total of Reserves & Surplus	<u>925,958,257</u>	<u>852,231,078</u>

NOTES ON ACCOUNTS

Amount in Rs.

3 LONG -TERM BORROWINGS

Particulars	As at March 31, 2014	As at March 31,2013
Secured Loan		
Term Loans		
From Bank		
Rupee Loan [Refer Note 3.1]	5,395,885	29,625,603
From Others		
Vehicle Loans [Refer Note 3.2]	2,617,769	-
	8,013,654	29,625,603

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

(3.1) Rupee loan from Bank of India amounting to Rs.53,95,885/- (Previous Year : Rs.2,96,25,603/-) carries interest rate ranging from 12.45% to 13% p.a and was repayable in 11 quarterly installments. This loan facility was secured by first pari pasu charge on all (present and future) factory fixed assets of the company including equitable mortgage on the factory land and building at Vapi.

(3.2) Vehicle loan taken from BMW Financial Services carried interest rate ranging from 9% to 9.32% and was repayable in 36 monthly installment. The loan was secured by hypothecation of Vehicle.

4 DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2014	As at March 31,2013
Deferred tax liabilities		
On account of difference between depreciation as per books and as per Income- tax Act, 1961	86,231,084	79,536,974
	<u>86,231,084</u>	<u>79,536,974</u>
Less: Deferred tax assets		
On account of expenses allowable on payment basis	2,281,278	1,697,497
On account of allowance for bad & doubtful debts	240,388	989,077
	<u>2,521,666</u>	<u>2,686,574</u>
Net Deferred Tax Liabilities	83,709,418	76,850,400

5 LONG-TERM PROVISIONS

Particulars	As at March 31, 2014	As at March 31,2013
Provisions for Employee Benefits		
Provision for Gratuity	5,717,885	4,150,960
	<u>5,717,885</u>	<u>4,150,960</u>

6 SHORT-TERM BORROWINGS

Particulars	As at March 31, 2014	As at March 31, 2013
Secured Loans		
Other loans & advances (Refer Note No 6.1)		
From Bank- Working Capital Loan		
Foreign Currency Loan	30,411,063	57,909,877
Rupee Loan	161,633,698	103,493,189
Other loans from Bank		
Foreign Currency Loan (Refer Note No. 6.1)	31,889,314	16,937,200
	<u>223,934,075</u>	<u>178,340,266</u>

Note No. 6.1:

Working capital facilities are secured by Hypothecation of stocks & book debts and further secured by collateral security of all movable and immovable factory properties.

7 TRADE PAYABLES

Particulars	As at March 31, 2014	As at March 31,2013
Sundry Creditors For Goods (Refer Note No. 7.1)	3,890,302	525,133
Sundry Creditors For Expenses (Refer Note No. 7.1)	25,381,163	29,544,281
	<u>29,271,465</u>	<u>30,069,414</u>

Note No. 7.1:

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

NOTES ON ACCOUNTS
Amount in Rs.
8 OTHER CURRENT LIABILITIES

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Current Maturities of Long Term Debt (Refer Note No. 3.1, 3.2, 8.1 & 8.2)	24,271,865	30,388,505
Interest Accrued but not due on borrowings	236,653	476,510
Unpaid Dividend	489,714	429,359
<u>Other payables</u>		
Sundry Creditors for Capital Goods	1,178,875	4,096,693
Advances From Customers	83,416,637	151,567,508
Statutory Dues Payable	2,631,237	5,413,144
Others	40,000	47,500
	112,264,981	192,419,219

Note No. 8.1: Rupee loan from Bank of India amounting to Rs. Nil (Previous Year : Rs. 47,80,388/-) carried interest rate ranging from 12.45% to 13%p.a and was repayable in 18 quarterly installments. This loan facility was secured by first pari pasu charge on all (present and future) factory fixed assets of the company including equitable mortgage on the factory land and building at Vapi.

Note No. 8.2: Vehicle loan taken from Axis Bank amounting to Rs. Nil (Previous Year : 13,06,758/-) carried interest rate @ 9.32% and was repayable in 36 monthly installments. The loan was secured by hypothecation of Vehicle.

9 SHORT - TERM PROVISIONS

Particulars	As at	As at
	March 31, 2014	March 31, 2013
<u>Provision for Employee Benefits</u>		
Provision for Gratuity	1,138,239	1,349,220
Provision for Leave Salary	1,200,259	994,699
<u>Others</u>		
Provision For Taxation	100,725	78,963
Proposed Dividend (Refer Note No. 9.1)	40,562,500	32,450,000
Dividend Distribution Tax (Refer Note No. 9.1)	6,893,597	5,514,878
	49,895,320	40,387,760

Note No. 9.1: The amount of dividend per share of Re. 1.25 (Previous Year Re. 1.00) has been proposed to be distributed to equity shareholders for the year ended 31/03/2014. The total amount of dividend shall be Rs.47,456,097 /- including dividend distribution tax Rs. 6,893,597/- (Previous Year Rs. 37,964,878/- including dividend distribution tax Rs.5,514,878/-).

11 LONG - TERM LOANS AND ADVANCES

Particulars	As at	As at
	March 31, 2014	March 31, 2013
(Unsecured, Considered Good, unless specified otherwise)		
Capital Advances	35,848,944	29,880,242
Deposits	7,771,887	4,533,565
<u>Other Loans & Advances</u>		
Advance recoverable in cash or kind or for value to be received	127,751	118,020
Advance Tax (Net of Provision for Taxation Rs. 5,59,00,000/- (Previous Year Rs.17,87,63,924/-))	10,620,381	13,432,531
Loans and Advances to Employees	452,485	670,125
	54,821,448	48,634,483

12 INVENTORIES

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Raw Material (Refer Note No. 12.1)	74,185,979	51,535,049
Work-in-progress	356,302,005	391,700,467
Finished Goods	4,311,358	11,753,924
Stores & Spares & Consumable Tools	738,939	1,363,869
Scrap	4,911,047	7,054,020
Packing Material	49,770	30,312
	440,499,098	463,437,641

Note No. 12.1 : Accounting Policies of Inventories Valuation

Raw Material includes goods in transit Rs. 8,330,550/- (Previous Year Rs.763,700/-)

13 TRADE RECEIVABLES

Particulars	As at	As at
	March 31, 2014	March 31, 2013
(Unsecured, Considered Good, unless specified otherwise)		
<u>Outstanding for more than six months</u>		
Considered good	15,324,163	4,649,688
Considered Doubtful	707,232	2,909,906
	16,031,395	7,559,594
Less : Allowance for Doubtful Debts	707,232	2,909,906
Others debts considered good	310,825,797	193,088,793
	326,149,960	197,738,481

NOTES ON ACCOUNTS
10 FIXED ASSETS

Amount in Rs.

PARTICULARS	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	AS ON 01.04.2013	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2014	AS ON 01.04.2013	FOR THE YEAR (Refer Note 10.2)	DEDUCTION DURING THE YEAR	AS AT 31.03.2014	AS AT 31.03.2014	AS AT 31.03.2013
TANGIBLES ASSETS :										
Leasehold Land	9,446,414	-	-	9,446,414	-	-	-	-	9,446,414	9,446,414
Building (Note No. 10.1)	87,213,213	-	-	87,213,213	26,472,658	3,433,349	-	29,906,007	57,307,206	60,740,555
Building (SF6 , Plot No. 85 B and Plot No. 85 D&E)	68,760,547	-	1,318,670	67,441,877	17,372,346	2,252,558	34,390	19,590,514	47,851,363	51,388,201
Plant & Machinery	429,061,136	42,891,797	130,480	471,822,453	203,334,854	34,265,951	122,901	237,477,904	234,344,549	225,726,282
Plant & Machinery (SF6)	346,846,607	5,522,595	2,489,320	349,879,882	111,274,631	15,497,908	1,394,223	125,378,316	224,501,566	235,571,976
Furniture & Fixture	10,826,941	257,401	-	11,084,342	6,759,253	782,802	-	7,542,055	3,542,287	4,067,688
Vehicles	22,702,705	6,364,416	493,065	28,574,056	11,035,884	3,641,256	262,998	14,414,142	14,159,914	11,666,821
Office Equipment	22,727,815	1,198,424	70,369	23,855,870	17,824,541	1,369,341	40,885	19,152,997	4,702,873	4,903,274
TOTAL TANGIBLE ASSETS	997,585,378	56,234,633	4,501,904	1,049,318,107	394,074,167	61,243,165	1,855,397	453,461,935	595,856,172	603,511,211
PREVIOUS YEAR	874,001,260	138,189,923	14,605,805	997,585,378	345,217,613	59,825,341	10,968,787	394,074,167	603,511,211	
INTANGIBLES ASSETS :										
Computer Software	6,543,607	2,478,814	-	9,022,421	1,885,348	1,643,807	-	3,529,155	5,493,266	4,658,259
Technical Know How	808,687	-	-	808,687	808,687	-	-	808,687	-	-
TOTAL INTANGIBLE ASSETS	7,352,294	2,478,814	-	9,831,108	2,694,035	1,643,807	-	4,337,842	5,493,266	4,658,259
PREVIOUS YEAR	5,606,508	1,745,786	-	7,352,294	1,390,539	1,303,496	-	2,694,035	4,658,259	
C W I P - TANGIBLE										
Current Year	-	-	-	-	-	-	-	-	5,109,277	-
Previous Year	-	-	-	-	-	-	-	-	-	12,697,853

Note No. 10.1: Buildings

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

Note No. 10.2: Depreciation & amortization expense

	2013-14	2012-13
Depreciation & amortization expense	62,886,972	61,128,837
Less : Recoupment from revaluation reserve	613,217	671,220
Less: Excess Depreciation charged for previous year 2012-13 written back	35,667	-
	62,238,088	60,457,617

NOTES ON ACCOUNTS
Amount in Rs.
14 CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2014	As at March 31, 2013
<u>Balance with Banks</u>		
-In Current account	325,758	1,171,608
Cash on Hand	168,135	171,752
Cheques in Hand	-	73,463,476
<u>Other Bank Balances</u>		
Unpaid Dividend account	489,714	429,359
Margin Money Deposits [Refer Note No. 14.1)	16,087,749	12,021,392
	17,071,356	87,257,587

Note No. 14.1:

* Margin Money deposits amounting to Rs. 16,087,749/- (Previous Year Rs. 1,20,21,392/-) are lying with Bank towards Bank Guarantees, Forward Margin and Letters of Credit.

15 SHORT TERM LOANS & ADVANCES

Particulars	As at March 31, 2014	As at March 31, 2013
(Unsecured, Considered Good, unless specified otherwise)		
Deposits	245,746	251,821
<u>Others</u>		
Advance recoverable in cash or kind or for value to be received	7,021,203	5,560,721
Advance Tax	5,066,149	652,164
Balance with Central Excise	6,403,909	4,219,021
Advances to suppliers	3,240,508	4,550,817
Loans and Advances to Employees	923,315	1,392,178
	22,900,830	16,626,722

16 OTHER CURRENT ASSETS

Particulars	As at March 31, 2014	As at March 31, 2013
Interest Receivable	1,699,968	626,628
Duty Drawback Receivable	1,476,393	642,578
Insurance Claim Receivable	-	623,355
Other Receivable	137,287	69,902
	3,313,648	1,962,463

17 CONTINGENT LIABILITIES AND COMMITMENTS
a) CONTINGENT LIABILITIES

Particulars	As at March 31, 2014	As at March 31, 2013
Disputed Income Tax Liabilities	7,112,460	-
Disputed Service Tax Liabilities	1,730,140	1,641,926
Bond issued under Advance Licence Scheme	1,524,318	4,492,461
Bond issued under Export Promotion Capital Goods Scheme	23,968,842	15,790,871
	34,335,760	21,925,258

b) COMMITMENTS

Particulars	As at March 31, 2014	As at March 31, 2013
Estimated amounts of Contracts remaining to be executed on Capital account and not provided for (Net of Advances)	22,412,072	30,508,587
	22,412,072	30,508,587

NOTES ON ACCOUNTS
18 REVENUE FROM OPERATIONS

Particulars	Amount in Rs.	
	Year ended	Year ended
	March 31, 2014	March 31, 2013
Sale of Products (Refer Note No 18.1)	2,002,597,561	1,745,034,465
Sale of Services (Refer Note No 18.2)	138,695	66,659
<u>Other Operating Revenue</u>		
Duty Draw Back Received	2,079,760	2,278,607
Less : Excise Duty	169,033,431	156,301,952
	1,835,782,585	1,591,077,779
Note No 18.1 : Sale of Products		
Particulars		
Electrical Contacts	1,884,106,724	1,660,928,973
Others	118,490,837	84,105,492
	2,002,597,561	1,745,034,465
Note No 18.2 : Sale of Services		
Job Work	138,695	66,659
	138,695	66,659

19 OTHER INCOME

Particulars	Year ended	
	March 31, 2014	March 31, 2013
	Interest Income (Refer Note No 19.1)	1,811,750
Foreign Exchange Fluctuation (Net)	5,982,976	3,894,793
Miscellaneous Income	4,861,179	1,254,558
	12,655,905	6,715,916
Note No. 19.1 : Break-up of Interest income		
Interest income on inter corporate deposits		-
Interest income on deposits with banks	1,169,491	1,185,881
Interest income on income tax refund	-	149,302
Interest income from customers	642,259	231,382
	1,811,750	1,566,565

20 COST OF MATERIAL CONSUMED

Particulars	Year ended	
	March 31, 2014	March 31, 2013
	RAW MATERIAL CONSUMED	
Opening Stock of Raw Material	50,771,349	92,983,861
Add : Purchases of Raw Material	1,282,912,964	1,135,522,190
	1,333,684,313	1,228,506,051
Less : Sale of Raw Material	45,466	6,486,081
Less : Closing Stock of Raw Material	65,855,429	50,771,349
Cost of Materials Consumed (Refer Note No. 20.1)	1,267,783,418	1,171,248,621
Note No. 20.1 : Cost of Material Consumed		
Silver	838,262,269	812,899,232
Tungsten Metal Powder	145,558,487	129,658,510
Copper Chromium/Zirconium Rod/Tube	111,968,396	99,608,967
ETP Cu Flat/Rod/Tube/Strips	72,444,862	61,221,216
Others	99,549,404	67,860,696
	1,267,783,418	1,171,248,621

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

Particulars	Year ended		Year ended	
	March 31, 2014		March 31, 2013	
Finished Goods				
Opening Stock	11,753,924		3,393,076	
Closing Stock	4,311,358	7,442,566	11,753,924	(8,360,848)
Work-in- Progress				
Opening Stock	391,700,467		392,032,963	
Closing Stock	356,302,005	35,398,462	391,700,467	332,496
Scrap				
Opening Stock	7,054,020		8,195,944	
Closing Stock	4,911,047	2,142,973	7,054,020	1,141,924
		44,984,001		(6,886,428)

22 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended		Year ended	
	March 31, 2014		March 31, 2013	
Salaries & Wages		83,917,854		76,977,605
Contribution to Provident & Other Funds		3,438,012		3,400,028
Staff Welfare Expenses		3,242,162		2,704,334
		90,598,028		83,081,967

NOTES ON ACCOUNTS
23 FINANCE COSTS

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
Interest Expense (Refer Note No 23.1)	26,927,015	27,532,807
<u>Other Borrowing Cost</u>		
Bank Finance Cost	2,011,626	4,036,784
	28,938,641	31,569,591
Note No. 23.1 : Break-up of Interest Expense	2013-14	2012-2013
Interest expense on bank borrowings	26,646,672	27,143,256
Interest expense on vehicle loan from other	280,343	389,551
	26,927,015	27,532,807

24 OTHER EXPENSES

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
Consumption of Stores and Spares	14,256,941	12,770,378
Consumable Tools & Dies	18,974,575	9,342,479
Packing Expenses	2,644,647	1,870,054
Power & fuel	35,564,800	31,349,215
Processing & Labour Charges	18,811,855	14,971,318
<u>Repairs and Maintenance</u>		
Buildings	1,151,895	854,531
Machinery	16,296,133	16,321,374
Others	2,371,590	1,939,833
Insurance	1,412,789	1,584,819
Rent, Rates and taxes	1,183,797	1,358,357
Advertisement & Sales Promotion	1,531,847	1,294,883
Bank Charges	2,078,005	1,969,294
Commission on Sales	7,650,102	10,017,631
Payment to Statutory Auditor (Refer Note No. 24.1)	480,248	372,247
Cost Audit Fees	25,000	-
Electricity Expenses	278,427	285,654
Royalty	1,747,005	434,425
Travelling and Conveyance Expenses	6,031,032	7,160,979
Legal & Professional Charges	3,906,853	6,371,885
Telephone & Telex Expenses	1,098,577	1,210,784
Vehicle Expenses	2,941,424	2,684,208
Loss on Hedging Contracts	10,011,679	716,104
Loss on Sale of Fixed Assets/ Obsolence (net)	505,030	1,791,303
In house R&D Expenses	734,829	349,272
Donation	2,605,000	3,237,500
Bad Debts Written off	4,131,957	-
Less: Allowance for Doubtful Debts reversed	2,909,906	-
Allowance for Doubtful Debts	707,232	2,909,906
Miscellaneous Expenses	20,973,201	22,338,413
	177,196,564	155,506,846

Note No. 24.1 : Payment to Statutory Auditors

<u>As Auditor</u>		
Audit Fees	225,000	175,000
Tax Audit Fees	110,000	85,000
Limited Review Fees	45,000	54,000
Service Tax *	46,968	38,810
<u>In other capacity</u>		
Certification and Other Services	100,000	58,000
Service Tax *	12,136	7,020
	539,104	417,830

* Out of above Service Tax credit of Rs.58,856/- (Previous Year Rs. 45,583/-) has been taken and the same has not been debited to Statement of Profit and Loss.

25 EXCEPTIONAL ITEMS

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
Surrender value received of Keymen Insurance Policy	7,894,531	-
	7,894,531	-

26 EARNING PER SHARE

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
Profit attributable to Equity Shareholders (Rs.)	121,847,836	65,600,162
No. of Equity Share outstanding during the year (Nos.)	32,450,000	32,450,000
Face Value of each Equity Share (Rs.)	1	1
Basic & Diluted earning per Share (Rs.)	3.75	2.02

NOTES ON ACCOUNTS
27 EMPLOYEE BENEFITS

The disclosures as required under the Accounting Standard 15 (Revised) are as under:

The Company has schemes for the long term benefits such as Provident Funds, Gratuity and Leave encashment. In case of funded scheme, the funds are recognised by the Income tax authorities and administered through trustees/appropriate authorities. The Company's benefit plans include gratuity and leave encashment. The companies Defined Contribution Plan includes Provident Fund. Accordingly related disclosure are as under :

A) Defined Contribution Plan

Particulars	2013-14	2012-13
Contribution to Provident Fund	2,085,736	2,071,440

B) Defined Benefit Plan

Sr.No.	Particulars	2013-14		2012-13	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
I Assumptions					
(a) Discount Rate	8.00%	8.00%	8.00%	8.00%	
(b) Salary Escalation	4.00%	4.00%	4.00%	4.00%	
II Changes in present value of obligations					
(a) Present value of obligations as at the beginning of year	1,079,458	7,677,813	873,214	5,829,114	
(b) Interest cost	86,357	614,225	69,857	466,329	
(c) Current Service Cost	126,736	734,237	130,579	561,730	
(d) Benefits Paid	(200,009)	(459,738)	(118,207)	(223,738)	
(e) Actuarial gain on obligations	167,340	427,439	124,015	1,044,378	
(f) Present value of obligations as at the end of year	1,259,882	8,993,976	1,079,458	7,677,813	
III Changes in the fair value of plan assets					
(a) Fair value of plan assets at the beginning of year	829,061	6,328,593	747,692	5,257,374	
(b) Expected return on plan assets	80,391	637,662	74,054	538,466	
(c) Contributions	250,397	1,349,220	125,522	756,491	
(d) Benefits paid	(200,009)	(459,738)	(118,207)	(223,738)	
(e) Actuarial gain on Plan assets	-	-	-	-	
(f) Fair value of plan assets at the end of year	959,840	7,855,737	829,061	6,328,593	
IV Fair value of plan assets					
(a) Fair value of plan assets at the beginning of year	829,061	6,328,593	747,692	5,257,374	
(b) Actual return on plan assets	80,391	637,662	74,054	538,466	
(c) Contributions	250,397	1,349,220	125,522	756,491	
(d) Benefits Paid	(200,009)	(459,738)	(118,207)	(223,738)	
(e) Fair value of plan assets at the end of year	959,840	7,855,737	829,061	6,328,593	
(f) Funded status	(300,042)	(1,138,239)	(250,397)	(1,349,220)	
(g) Excess of Actual over estimated return on plan assets	-	-	-	-	
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)					
V Actuarial Gain/Loss recognized					
(a) Actuarial gain for the year -Obligation	(167,340)	(427,439)	(124,015)	(1,044,378)	
(b) Actuarial gain for the year - plan assets	-	-	-	-	
(c) Total gain for the year	167,340	427,439	124,015	1,044,378	
(d) Actuarial gain recognized in the year	167,340	427,439	124,015	1,044,378	
VI The amounts to be recognized in the balance sheet and statements of Profit and Loss					
(a) Present value of obligations as at the end of the year	1,259,882	8,993,976	1,079,458	7,677,813	
(b) Fair value of plan assets as at the end of the year	959,840	7,855,737	829,061	6,328,593	
(c) Funded status	(300,042)	(1,138,239)	(250,397)	(1,349,220)	
(d) Net liability/(asset) recognized in balance sheet	300,042	(1,138,239)	250,397	(1,349,220)	
VII Expenses Recognised in statement of Profit & Loss					
(a) Current Service cost	126,736	734,237	130,579	561,730	
(b) Interest Cost	86,357	614,225	69,857	466,329	
(c) Expected return on plan assets	(80,391)	(637,662)	(74,054)	(538,466)	
(d) Net Actuarial gain recognised in the year	167,340	427,439	124,015	1,044,378	
(e) Expenses recognised in statement of Profit & Loss Account	300,042	1,138,239	250,397	1,533,971	

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

28 SEGMENT REPORTING

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

Particulars	2013 - 14		2012 - 13	
	Within India	Outside India	Within India	Outside India
Segment Revenue	1,481,384,920	367,053,570	1,314,432,860	283,360,835
Segment Assets	1,364,651,319	109,085,402	1,373,517,256	65,694,018
Addition Fixed Assets	58,713,447	-	139,935,709	-

NOTES ON ACCOUNTS
29 Derivatives:
HEDGED:

The Company has entered into Forward Hedged Exchange Contracts, being derivative instruments for hedge purpose and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables including firm commitment. The following are the outstanding Forward Exchange Contracts entered into by the Company:

Particulars	As on 31.03.2014		As on 31.03.2013		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	
Loan Liabilities & Interest accrued there on	-	-	16,391,890.59	28,184,131.00	JPY

UNHEDGED:

The year end Foreign Currency exposures that have not been hedged by a derivative instrument are as under:-

a) Amount receivable in foreign currency on account of the following :

Particulars	As on 31.03.2014		As on 31.03.2013		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	
Amount Receivable	74,207,494	910,969	42,746,234	621,402	EUR
	1,859,858	18,834	1,117,074	13,681	GBP
	33,018,050	554,739	21,830,710	403,674	USD

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

Particulars	As on 31.03.2014		As on 31.03.2013		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	
Amount Payable	252,044	3,692	99,472	1,423	EUR
	11,160,652	185,887	9,697,502	177,780	USD
Loan Liability	-	-	613,017	74,095	GBP
	45,892,374	764,363	51,778,860	949,200	USD
	16,408,000	28,000,000	-	-	JPY
Interest accrued but not due	46,866	781	266,779	4,890	USD
	-	-	43,168	521	GBP
	29,316	50,027	-	-	JPY

NOTES ON ACCOUNTS
30 RELATED PARTY DISCLOSURES

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

1. **Enterprises over which key management personnel and relative of such personnel have significant influence**
 - i) Modicon Pvt. Ltd.
 - ii) Modison Copper Pvt. Ltd.
 - iii) Disha Innovative Solutions Pvt. Ltd.
 - iv) Modison
2. **Key Management Personnel**
 - i) Mr. G. L. Modi Managing Director
 - ii) Mr. Rajkumar Modi Wholetime Director
 - i) Mr. Kumar Jay Modi Wholetime Director
3. **Relatives of Key Management Personnel**
 - i) Mrs. Chandramani Devi Modi Mother of Mr. Rajkumar Modi

Note: Related Party relationship is as identified by the company and relied upon by the Auditors.

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

S.No.	Related parties	Nature of Transactions during the year	2013-14	2012-13
			(Rs.)	(Rs.)
1	Mr. G.L. Modi (Refer Note No. 30.1)	Remuneration Paid (including Other benefits)	10,126,860	12,878,734
2	Mr. Rajkumar Modi	Remuneration Paid (including Other benefits)	4,778,071	2,831,182
3	Mr. Kumar Jay Modi	Rent Paid	92,000	72,000
		Salary Paid (including Other benefits)	2,203,057	1,777,418
4	Mrs. Chandramani Devi Modi	Rent Paid	300,000	300,000
5	Modicon Pvt. Ltd.	Purchase of Goods	583,299	995,884
		Sale of Goods	15,478,788	5,688,629
		Service Received	-	1,701,592
6	Modison Copper Pvt. Ltd.	Purchase of Goods	206,681,602	158,984,842
		Sale of Goods	32,383,970	64,362,790
		Purchase of Fixed assets	-	105,570
		Sale of Fixed assets	459,000	229,500
		Service Rendered	138,695	66,658
		Service Received	1,790,216	591,281
7	Disha Innovative Solutions Pvt. Ltd.	Sale of Goods	25,199	76,326
8	Modison	Royalty	1,839,334	434,425

(C) Balance at the year end.

S.No.	Related parties	Nature of Transactions	31.03.2014	31.03.2013
1.	Mr. G. L. Modi	Remuneration Payable	609,040	7,167,589
2.	Mr. Rajkumar Modi	Remuneration Payable	226,540	99,040
3.	Mr. Kumar Jay Modi	Remuneration Payable	94,040	73,840

Note No 30.1: Director remuneration for previous year includes Rs. 69,93,549/- being provision made towards increase in remuneration of Mr. G.L.Modi w.e.f. 09.07.2012, the same was not paid pending the Central Government approval. During the year approval has been received and payment has been made as per the approval.

31 VALUE OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED

Amount in Rs.

Particulars	2013-14		2012-2013	
	%	Value	%	Value
Raw Material				
Imported	15.78	200,103,886	20.02	234,521,198
Indigenous	84.22	1,067,679,532	79.98	936,727,423
	100.00	1,267,783,418	100.00	1,171,248,621
Stores, Spares & Components				
Imported	0.28	40,428	-	-
Indigenous	99.72	14,216,513	100.00	12,770,378
	100.00	14,256,941	100.00	12,770,378

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

Particulars	2013-14	2012-13
Raw Material	205,725,235	198,131,758
Capital Goods	24,957,789	80,382,090
Components and Spare Parts	5,663,085	3,877,796

33 EXPENDITURE IN FOREIGN CURRENCY

Particulars	2013-14	2012-2013
Foreign Travelling (out of the above Rs. 103,734/- (Previous year Rs.316,065/-) has been capitalised)	1,382,487	2,093,564
Commission	7,582,440	9,882,984
Interest	1,356,601	1,291,359
Others	2,878,644	4,829,427

NOTES ON ACCOUNTS
34 EARNINGS IN FOREIGN CURRENCY

Particulars	2013-14	2012-2013
Exports at F.O.B. Value	354,093,243	277,664,226
Freight recovered	5,481,053	4,767,236
Insurance premium recovered	150,395	77,853
Others	398,879	851,520

35 RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	2013-2014	2012-2013
Capital Expenditure included in Fixed Assets	664,100	3,907,261
Revenue Expenditure included in Employee Benefit	2,416,066	2,241,662
Revenue Expenditure included in Other Expenses	734,829	349,272

36 OPERATING LEASES DISCLOSURES
Assets Taken on Lease

The company's major leasing arrangements are in respect of staff quarters and office premises taken on Lease and License basis. The aggregate lease rentals of Rs 5,79,850/- (Previous Year: 5,47,050/-) are charged as Rent and shown under the Note No. 24 "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.

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

38 SIGNIFICANT ACCOUNTING POLICIES
(A) Basis of Preparation of Financial Statement

The financial statements have been prepared under the historical cost convention on an accrual basis and comply in all material respects with the mandatory accounting standards and the relevant provisions of the Companies Act, 1956 & Companies Act, 2013 where ever applicable.

(B) Inventories Valuation

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

(C) Fixed Assets & Depreciation / Amortisation

- i) Certain assets had been revalued by the Company in the year 1993 - 1994, these assets are appearing at revalued amounts less accumulated depreciation. All other assets are appearing at historical cost less accumulated depreciation.
- ii) Depreciation in respect of Factory Building, Plant & Machinery for SF6 Project, Electric Installation for SF6 project, R&D Plant & Machinery, Factory Buildings at Plot No. 85-B and Plot Nos. 85/D & E has been provided on straight line method and in respect of all other assets on written down method at the rate specified in accordance with Schedule XIV of the Companies Act, 1956.
- iii) No amortisation is provided in accounts in respect of Leasehold Land
- iv) Depreciation for the year on the assets revalued in the earlier years has been calculated on their respective revalued figures at the rate specified in accordance with Schedule XIV of the Companies Act, 1956. The additional charge of depreciation during the year on account of revaluation has been withdrawn from revaluation reserve and credited to Statement of Profit and Loss.
- v) Intangible Assets are identified when they are expected to provide future enduring economic benefits. The assets are identified in the year in which the relevant asset is put to use. The assets are amortised over a period of estimated useful life as determined by the management. Expenditure on Know-How is amortised over a period of 10 years on Straight Line Method. Expenditure on Software is amortised over a period of five year on straight line method.

(D) Revenue Recognition

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

(E) Other Income

Dividend is accounted for as and when received.

(F) Foreign Currency Transaction

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

(G) Investments

Long term investments are stated at cost. Provision for diminution in the value of investments is made only if such decline is other than temporary in the opinion of the management.

(H) Employee Benefit

- i) Short Term Employee benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Contribution payable to the recognised Provident Fund which is Defined Contribution Scheme is charged to Statement of Profit and Loss.
- iii) Liabilities in respect of Defined Benefit Plans are determined based on actuarial valuation made by an independent actuary as at the Balance Sheet date. The actuarial gains or losses are recognised immediately in the Statement of Profit and Loss.
- iv) In case of non-member of the Gratuity Fund, the same is provided as per the approval of Central Government and as per Payment of Gratuity Act, 1972, wherever applicable.

NOTES ON ACCOUNTS**(I) Lease**

Lease rentals in respect of assets acquired under operating leases are charged off to the Statement of Profit & Loss as incurred. Lease rentals in respect of assets given under operating leases are credited to the Statement of Profit & Loss.

(J) Taxation

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

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

(K) Impairment of Assets

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

(L) Provision & Contingent Liability

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

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

As per our report of attached even date.

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

FOR AND ON BEHALF OF THE BOARD

ASHISH BAIRAGRA
PARTNER
MEMBERSHIP NO.109931

G.L. MODI
MANAGING DIRECTOR

SURESH MODY
DIRECTOR

PLACE : MUMBAI
DATED : 26TH MAY, 2014

PLACE : MUMBAI
DATED : 26TH MAY, 2014

MODISON METALS LIMITED

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

ATTENDANCE SLIP

..... Name of the attending Member (In Block Letters) Member's Folio No. / Client ID No
..... Name of the Proxy (In Block Letters) (to be filled if the Proxy attends instead of the Member)	

No. of Shares held:

I hereby record my presence at the **Thirty First ANNUAL GENERAL MEETING** of the Company at **Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai – 400005** on **09th September, 2014** at **11.30 A.M.**

.....
(Signature of the Attending Member / Proxy)

Notes:

- 1 Member / Proxyholder desiring to attend the Meeting must bring Attendance Slip to this Meeting and hand it over at the entrance duly signed.
- 2 Member / proxyholder desiring to attend the Meeting, should bring his copy of the Annual Report for reference at the Meeting.

----- Tear Here -----

MODISON METALS LIMITED

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

PROXY FORM

I / We _____ of _____ in the district _____ being a Member / Members of the abovenamed Company, hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 09th September, 2014 at 11.30 A.M and at any adjournment thereof.

Signed this day of 2014.

Member's Folio No. _____ Signature
DP ID No. _____ Client ID No. _____


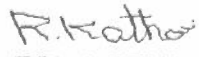
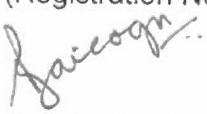


Affix Re. 1.00
Revenue Stamp

Note: The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid Meeting.

FORM A

(Clause 31(a) of Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company :	MODISON METALS LIMITED
2.	Annual Financial statements for the year ended	31 st March, 2014
3.	Type of Audit Observation	NIL
4.	Frequency of observation	Not Applicable
5.	To be signed by -	
	<ul style="list-style-type: none"> Managing Director 	 (G.L. Modi)
	<ul style="list-style-type: none"> CFO 	 (RAMESH KOTHARI)
	<ul style="list-style-type: none"> Auditor of the Company 	For M.L. Bhuwania & Co. Chartered Accountants (Registration No. 101484W)  (Ashish Bairagra) Partner Membership No. 109931 
	<ul style="list-style-type: none"> Audit Committee Chairman 	 (R.A. GOENKA) * (Audit Committee Member)

* Mr. Ranjan Dasgupta, Chairman of Audit Committee is out of India upto 14th October, 2014.