



Modern Insulators Limited

Post Box No 23, ABU ROAD - 307026(RAJASTHAN) INDIA

Phone : 02974 - 228044, 294440 to 294442

Fax : 02974 - 228043 www.moderninsulators.com

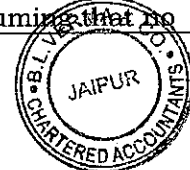
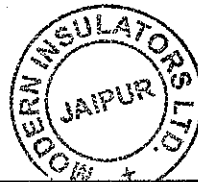
Email : milabu@vsnl.com/milabu@moderninsulators.com

CIN - L31300RJ1982PLC002460

Form B

Covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	Modern Insulators Limited
2.	Annual financial statements for the year ended	31 st March, 2015
3.	Type of Audit qualification	Qualified opinion (a) Provision for taxation (including interest) estimated at Rs. 562.74 lacs for current year (upto the year Rs. 8362.97 lacs) has not been made in accounts, in view of proposed amalgamation proceedings awaiting approvals. Meanwhile Income Tax department has completed assessments for Assessment Years 2008-09 to 2012-13 wherein substantive assessment orders have been passed allowing losses pertaining to proposed amalgamation with nil liability and at the same time protective assessment orders have been made (presuming that no amalgamation had taken place) with demand of Rs. 4518.92 lacs which shall be effective if the amalgamation scheme is not sanctioned.(Note No.30). (b) Balances of Trade Payables & Trade Receivables are subject to reconciliations/ confirmations (Note No. 8.1 & 15.2) ✓ (c) The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amounts unpaid as at the yearend together with interest paid/payable under this Act have not been given (Note No.8.2).
4.	Frequency of qualification	Repetitive
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Note no. 30 of Financial Statement Provision for taxation (including interest) estimated at Rs. 562.74 lacs for current year (upto the year Rs. 8362.97 lacs) has not been made in accounts, in view of proposed amalgamation proceedings awaiting approvals. Meanwhile Income Tax department has completed assessments for Assessment Years 2008-09 to 2012-13 wherein substantive assessment orders have been passed allowing losses pertaining to proposed amalgamation with nil liability and at the same time protective assessment orders have been made (presuming that no





Modern Insulators Limited

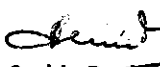
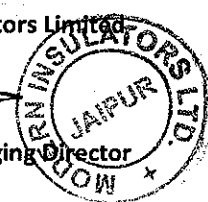
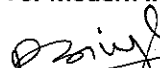

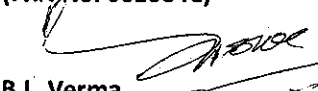

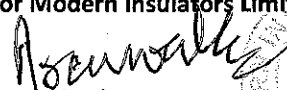

Post Box No 23, ABU ROAD - 307026(RAJASTHAN) INDIA

Phone : 02974 - 228044, 294440 to 294442

Fax : 02974 - 228043 www.moderninsulators.com

Email : milabu@vsnl.com/milabu@moderninsulators.com

CIN - L31300RJ1982PLC002460

		<p>amalgamation had taken place) with demand of Rs. 4518.92 lacs which shall be effective if the amalgamation scheme is not sanctioned.</p> <p>Note No. 8.1 & 15.2 of Financial Statement Balances of trade payables/^{receivables} are subject to reconciliations/confirmations.</p> <p>Note No. 8.2 of the Financial Statement The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amounts unpaid as at the yearend together with interest paid/payable under this Act have not been given.</p> <p>Management Response to qualifications in Director's Report The observations made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.</p>
6.	Additional comments from the board/audit committee chair	None
7.	<p>To be signed by For Modern Insulators Limited</p> <p> Sachin Ranka Chairman & Managing Director</p> <p></p> <p>For Modern Insulators Limited</p> <p> D.S. Singhvi Chief Financial Officer</p> <p></p> <p>For B.L. Verma & Co. Chartered Accountants (FRN No. 001064C)</p> <p> B.L. Verma Partner Membership No. 010900 Place:- Jaipur Date:- 29.06.2015</p> <p></p>	<p>For Modern Insulators Limited</p> <p> R. Raniwala Chairman of Audit Committee</p> <p></p>

**ANNUAL REPORT
2014-2015**



Modern

INSULATORS LIMITED

BOARD OF DIRECTORS

Shri Sachin Ranka	– Chairman & Managing Director
Shri S.B.L. Jain	– Independent Director
Shri R. Raniwala	– Independent Director
Shri P.K. Rao	– Independent Director
Shri D.B. Deshpande	– Executive Director
Shri H.L. Sharma	– Executive Director
Smt. Meenu Sacheti	– Additional Director

CHIEF FINANCIAL OFFICER

Shri S.D. Gupta

COMPANY SECRETARY

Shri Gaurav Goyal

AUDITORS

M/s B.L. Verma & Co.,
Chartered Accountants,
Jaipur - 302 001

REGISTERED OFFICE

A-4, Vijay Path, Tilak Nagar,
Jaipur - 302 004 (Rajasthan)
Ph. : 0141-3240996
E-mail : modernjaipuroffice@gmail.com

CORPORATE HEAD QUARTER

68/69, Godavari, Pochkhanwala Road,
Worli, Mumbai - 400 030

PLANTS**Insulators Division**

Abu Road - 307 026
Distt. Sirohi (Rajasthan)

Yarn Division

Village : Nana Borsara - 394 125
Distt. Surat (Gujarat)



NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of Modern Insulators Limited will be held on Tuesday the 22nd September, 2015 at 11.00 A.M. at Registered Office of the Company at A-4, Vijay Path, Tilak Nagar, Jaipur - 302 004 to transact the following business:

A. ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company as at 31st March, 2015 and the reports of the Board of Directors and Auditors thereon.
- (2) To appoint a director in place of Shri D.B. Deshpande (DIN:06463412), who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To ratify the re-appointment of Auditors of the Company and to fix their remuneration and to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board of Directors, and resolution passed by the members at the 29th Annual General Meeting of the Company held on 27th September, 2014, the re-appointment of M/s. B.L. Verma & Co., Chartered Accountants (Firm Registration No. 001064C), as the Auditors of the Company to hold office till the conclusion of 32nd Annual General Meeting, be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors."

B. SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), Smt. Meenu Sacheti (DIN:02266703) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 31st March, 2015 and who holds office until the date of the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Smt. Meenu Sacheti as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for payment of revised remuneration to Shri Sachin Ranka (DIN:00335534), Chairman & Managing Director of the Company for a period of two years with effect from 01.04.2015 to 31.03.2017 on the terms and conditions of remuneration as specified in the explanatory statement annexed thereto."

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any,

of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for re-appointment of and payment of remuneration to Shri H.L. Sharma (DIN:00352410) as an Executive Director of the Company for a period of two years with effect from 01.07.2015 to 30.06.2017 on the terms and conditions of remuneration as specified in the explanatory statement annexed thereto."

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for revised terms & conditions of the appointment of and payment of remuneration to Shri D.B. Deshpande (DIN:06463412) as an Executive Director of the Company for a period of one year with effect from 01.04.2015 to 31.03.2016 on the terms and conditions of remuneration as specified in the explanatory statement annexed thereto."

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company for already mortgaged/to be mortgaged and/or charged/to be charged present and/or future properties, which is situated at Abu Road, Rajasthan whether movable or immovable on first charge basis in favour of:

1. Central Bank of India for its working capital assistance of upto ₹ 5825 Lacs (Fund Based) & upto ₹ 2625 Lacs (Non-Fund Based) and forward exchange contract limit upto ₹ 1200 Lacs respectively.
2. Punjab National Bank for its working capital assistance of upto ₹ 1775 Lacs (Fund Based) & upto ₹ 875 Lacs (Non-Fund Based) respectively.

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

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s Rajesh & Company, Cost Accountants (Firm Registration No. 000031), the Cost Auditors appointed by the Board of Directors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration of ₹ 30000/- and reimbursement of expenses upto ₹ 15000/- be and is hereby ratified and approved."

By the Order of the Board

Place: Mumbai
Date: 29th June, 2015

(Gaurav Goyal)
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102 and/or any other applicable provisions of the Companies Act, 2013 in respect of Special Business is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and the proxy need not be a member of the Company.
3. The proxy form duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.
5. Members/proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. The Share transfer books and Register of members shall remain closed from 19th September, 2015 to 22nd September, 2015 (both days inclusive).
7. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
8. A Member desirous of getting any information on the accounts of the Company is requested to forward his request to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013)**

Item No. 4

Smt. Meenu Sacheti was appointed as an Additional Director of the Company with effect from 31/03/2015 by the Board of Directors of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, she holds office as a Director only upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013 proposing the candidature of Smt. Meenu Sacheti for the office of Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Smt. Meenu Sacheti as Director of the Company, pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. Smt. Meenu Sacheti is liable to retire by rotation.

No Director, Key Managerial Personnel or their relatives, except Smt. Meenu Sacheti, to whom the resolution relates, is interested or concerned in the resolution. The Board recommends the resolution set forth in Item No. 4 for approval of the members.

Item No. 5

Shri Sachin Ranka was appointed as Chairman & Managing Director of the Company with remuneration of ₹ 2,00,000/- per month for first year and thereafter increase not exceeding 20% per annum of basic salary for next two years with effect from 01/04/2014 for a period of 3 years. The Board considers for payment of revised remuneration to Shri Sachin Ranka for the remaining period of two years with effect from 01/04/2015 to 31/03/2017. The terms and conditions of the payment of revised remuneration to Shri Sachin Ranka as Chairman & Managing Director has also been approved by the Nomination & Remuneration Committee of Directors of the Company.

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

- i) Basic Salary:-
₹ 500000/- per month for first year and thereafter increase not exceeding 20% per annum of basic salary for next year.
- ii) Perquisites and allowances:-
 - a) Company's contribution towards Provident Fund as per Company's Rules but not exceeding 12% of the basic salary.
 - b) Reimbursement of medical expenses and leave travel concession for self and family, the total cost of which to the company shall not exceed 3% of the basic salary.
 - c) Gratuity not exceeding half month's salary for each completed year of service as provided in Gratuity Act.
 - d) Free use of car with driver for Company's business.
 - e) Free Telephone facility at residence for Company's business.
 - f) Fees of Clubs - subject to maximum of two clubs, the total amount of which shall not exceed ₹ 200000/- per annum.
- iii) He shall not be paid any sitting fees for attending the meetings of Board of Directors or Committee thereof.

The resolution seeks the approval of members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder for the payment of revised remuneration to Shri Sachin Ranka as Chairman & Managing Director of the Company for a period of two years from 1st April, 2015.

No Director, Key Managerial Personnel or their relatives, except Shri Sachin Ranka, to whom the resolution relates, is interested or concerned in the resolution. The Board recommends the resolution set forth in Item No. 5 for approval of the members.

Item No. 6

Shri H.L. Sharma was re-appointed as an Executive Director of the Company with remuneration from 01/07/2012 for a period of 3 years. As such his term of Office expires on 30/06/2015, therefore the Board considers that it is in the interest of the Company to reappoint Shri H.L. Sharma as an Executive Director of the Company with remuneration with effect from 01/07/2015 for a further period of 2 years. The terms and conditions of the payment of remuneration to Shri H.L. Sharma as an Executive Director has also been approved by the Nomination & Remuneration Committee of Directors of the Company.

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

- i) Basic Salary :
₹ 125000/- per month for first year and thereafter increase of not exceeding ₹ 15000/- per month for the period from 1.7.2016 to 30.6.2017.
- ii) Perquisites and allowances :
 - a) Company's contribution towards Provident Fund as per Company's Rules but not exceeding 12% of the basic salary.
 - b) Reimbursement of medical expenses and leave travel concession for self and family, the total cost of which to the company shall not exceed 3% of the basic salary.
 - c) Gratuity not exceeding half month's salary for each completed year of service as provided in Gratuity Act.
 - d) Free use of car with driver for Company's business.
 - e) Free Telephone facility at residence. All personal long distance calls shall be billed by the Company.
 - f) Encashment of leaves as per Company's Rules.

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

The resolution seeks the approval of members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder for the appointment of and remuneration to Shri H.L. Sharma as an Executive Director of the Company for a period of two years with effect from 1st July, 2015.

No Director, Key Managerial Personnel or their relatives, except Shri H.L. Sharma, to whom the resolution relates, is interested or concerned in the resolution. The Board recommends the resolution set forth in Item No. 6 for approval of the members.

Item No. 7

Shri D.B. Deshpande was appointed as an Executive Director of the Company with remuneration from 01/01/2013 for a period of 3 years. As such his term of Office will expire on 31/12/2015, therefore the Board considers that it is in the interest of the Company to extend his term of appointment upto 31st March, 2016 with revised payment of remuneration from 01/04/2015 to 31/03/2016 to Shri D.B. Deshpande as an Executive Director of the Company. The terms and conditions of the revised payment of remuneration to Shri D.B. Deshpande as an Executive Director has also been approved by the Nomination & Remuneration Committee of Directors of the Company.

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

- i) Basic Salary:-
₹ 400000/- per month and increase not exceeding ₹ 100000/- per month from 01.04.2015 for one year.
- ii) Perquisites and allowances:-
 - a) Furnished residential accommodation with water, gas, electricity etc. monetary value of which will be evaluated as per rule 3(a) of the Income Tax Rules, 1962, subject to an amount equivalent to 10% of basic salary deductible every month.
 - b) Company's contribution towards Provident Fund as per Company's Rules but not exceeding 12% of the basic salary.
 - c) Reimbursement of medical expenses and leave travel concession for self and family, the total cost of which to the company shall not exceed 3% of the basic salary.
 - d) Gratuity not exceeding half month's salary for each completed year of service as provided in Gratuity Act.
 - e) Free use of car with driver, for Company's business.
 - f) Free Telephone facility at residence. All personal long distance calls shall be billed by the Company.
 - g) Encashment of leaves as per Company's Rules.
- iii) He shall not be paid any sitting fees for attending the meetings of Board of Directors or Committee thereof.

The resolution seeks the approval of members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder for the revised terms & conditions of the appointment of and remuneration to Shri D.B. Deshpande as an Executive Director of the Company for a period of one year from 1st April, 2015.

No Director, Key Managerial Personnel or their relatives, except Shri D.B. Deshpande, to whom the resolution relates, is interested or concerned in the resolution. The Board recommends the resolution set forth in Item No. 7 for approval of the members.

Item No. 8

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

As the mortgage or charge on properties to secure the working capital facilities on first charge basis may be regarded as disposal of the whole or substantially the whole of the Insulators division of the Company, it is considered necessary to seek members approval pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013.

No Director, Key Managerial Personnel or their relatives is interested or concerned in the resolution. The Board recommends the resolution set forth in Item No. 8 for approval of the members.

Item No. 9

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company across for the financial year ending March 31, 2016.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing of resolution for ratification of the remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2016.

No Director, Key Managerial Personnel or their relatives is concerned or interested in the resolution. The Board recommends the resolution set out at Item No. 9 for approval of the members.

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting their 30th Annual Report together with the Audited Financial Statements for the year ended March 31, 2015.

FINANCIAL RESULTS

(₹ in crores)

	Year ended 31.03.2015	Year ended 31.03.2014
Net Sales and Other Income	423.45	463.90
Profit before tax	13.96	15.72
Less: Tax expense (Deferred tax)	(2.68)	1.65
Profit for the year after tax	16.64	14.07
Balance Brought forward from previous year	197.18	183.11
Balance carried to Balance sheet	213.82	197.18

OPERATIONS

The net turnover for the year has been ₹ 417.93 crores as against ₹ 459.33 crores in previous year and net profit after tax ₹ 16.64 crores as against ₹ 14.07 crores in previous year. Overall turnover for the year has been lower from previous year mainly due to lower turnover of Yarn Division on account of adverse market conditions.

Keeping in view the need to conserve the Company's resources for meeting the enhanced working capital requirement and balancing the manufacturing equipments, your directors deemed it prudent not to recommend any dividend for the year.

Insulators Division

The division has achieved a net turnover of ₹ 288.68 crores during the year and profit before interest & depreciation of ₹ 40.19 crores as against ₹ 273.91 crores and ₹ 37.75 crores respectively of previous year. Various factors have contributed for sustained performance of the division interalia balancing of plant & machinery, continuous efforts for production of better quality product and manufacturing of higher value-added Insulators. Company's vision to broaden the scope of manufacturing of all kinds of extra high voltage insulators for electrical equipments has borne fruits, witnessed by the performance of the company during the year under review.

Yarn Division

The turnover of this division has been ₹ 129.25 crores as against ₹ 185.42 crores in previous year and profit before interest & depreciation has been ₹ 1.82 crores as against ₹ 8.20 crores in previous year. Turnover and profitability has been lower due to adverse market conditions and low production/sales due to shut down of plant for about forty days.

EXPORTS

The company is one of the major exporter of H.T. Porcelain Insulators from India. The Company has achieved export turnover of ₹ 55 crores during the year under review as compared to ₹ 79 crores in previous year. Lower exports were mainly due to stiff competition from China as well as lower demands from Russian/European countries, because of slow down. The company possesses the ability to cater to diverse needs of global customers and is concentrating to strengthen its presence in all corners of global market. This would help the company in getting optimum utilization of its productive resources. Your company is a regular supplier to all the major multinational OEMs for their world wide requirements of quality porcelain insulators. The company is also focusing to save cost effectively with R&D activities and better process control so that products of the insulator division remain competitive in terms of quality and price in the international market.

Major focus on approvals in OEMs and utilities worldwide will further enhance export business. These steps taken by the company will help export turnover to increase substantially in 2015-16.

FUTURE PROSPECTS

Your Company continues to be a leader in the manufacture of High Voltage Insulators in the country. Despite stiff competition buyers show interest in your company's product for its quality & timely delivery and hence your directors are confident of achieving better working results in the coming years. Your Company has a well equipped R & D laboratory recognized by Govt. of India, Ministry of Science & Technology which takes care of the stringent quality requirements of customers and ensures quality and reliability in each and every product manufactured. In-house R&D activities have a thrust on development to replace expensive input raw material & to further bring consistency in quality of the products under manufacture. The future of the Insulator industry looks promising due to major thrust on power sector reforms and speedier implementation of new power projects. The Government of India has given emphasis to upgrading the transmission system in the country along with plans for construction of new power transmission lines like the green corridor project connecting renewable power projects across various states as well as upgradation of transmission infrastructure in the North East Region.

Major Railway electrical projects as well as the Dedicated Freight Corridor project will increase demand for railway insulators. Further, that Imposition of anti dumping duty on imports from China for a period of 5 years will provide sustainable relief to domestic manufactures.

In view of this & looking to the present scenario in power sector, the business prospects for Insulator Industry in general and for your Company in particular are encouraging.

The company is diversifying its business by way of expanding capacity of foundry which at present is fulfilling company's major captive requirement of SGI and Aluminum Castings. This will give further boost to the revenue of the company in coming years.

MODERN TERRY TOWELS LIMITED

ated has filed revised DRS with the Operating Agency for its company by taking deemed date of amalgamation as 01.01.2008 (as

envisaged in original scheme). The same is under consideration for circulation and thereafter for sanction by Hon'ble BIFR.

DEMERGER OF YARN DIVISION OF THE COMPANY

As reported earlier, a scheme of Demerger under section 391 to 394 of the Companies Act, 1956 has been filed before the Hon'ble High Court of Rajasthan at Jaipur to demerge the Yarn Division of the Company which is under consideration for approval of Hon'ble High Court. The demerger would result in benefit to the shareholders, creditors, employees and general public.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any guarantees covered under the provisions of Section 186 of the Companies Act, 2013. The details of the loans and investments made by Company are given in the notes to the Financial Statements.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions which may have a potential conflict with the interests of the Company at large. Particulars of contracts or arrangements with related parties under the provisions of section 188(1) of the Companies Act, 2013 are annexed herewith in the prescribed form AOC-2 as **Annexure-A**.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has one Subsidiary Company i.e. Motile Power Trade Pvt. Ltd. and does not have any Joint Ventures & Associate Companies during the year. The Statement containing salient features of the financial statement of its Subsidiary Company is attached with the Audited Financial Statements in Form AOC-1.

CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company has constituted a CSR Committee which comprises Shri Sachin Ranka (Chairperson), Shri R. Raniwala and Shri H.L. Sharma (Members). The Committee is responsible for formulating and monitoring the CSR policy of the Company.

The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the company, which has been approved by the Board. During the year, the Company has spent Rs. 39.52 Laacs (around 2% of the average net profits of last three financial years) on approved CSR Activities. The Company has contributed funds for medical relief, health care and educational activities. The Company will also undertake other need based initiatives in compliance with Schedule VII to the Act. The Annual Report on CSR activities is annexed herewith as **Annexure-B**.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Shri S.B.L. Jain and Shri R. Raniwala were appointed as an Independent Director of the Company for a period of five consecutive years upto 31st March, 2019 and Shri P.K. Rao was appointed as an Independent Director of the Company with effect from 19th June, 2014 for a period of five consecutive years upto 18th June, 2019. Smt. Meenu Sacheti was appointed as an Additional Director in the category of Non-Executive Director of the Company with effect from 31st March, 2015.

In accordance with the provisions of Companies Act, 2013, Shri D.B. Deshpande, Executive Director retires by rotation and being eligible offers himself for re-appointment. Shri D.B. Deshpande, Executive Director of the Company whose term will expire on 31st December, 2015 and his terms & conditions of the re-appointment and payment of remuneration has been revised by the Board of Directors. Shri H.L. Sharma, Executive Director of the Company whose term expires on 30th June, 2015 and reappointed by the Board of Directors for a period of 2 years with remuneration. The Board of Directors of the Company has revised the terms & conditions of the payment of remuneration to Shri Sachin Ranka, Chairman & Managing Director of the Company for his remaining period of appointment i.e. from 01.04.2015 to 31.03.2017. Appropriate resolutions for the appointment/re-appointment of the aforesaid Directors and for revised terms & conditions of the payment of remuneration to Shri Sachin Ranka are being moved at the ensuing Annual General Meeting, which the Board recommends for your approval.

Shri S.D. Gupta was appointed as President (Commercial) & Chief Financial Officer of the Company from 1st July, 2014 and has resigned from the post of Chief Financial Officer of the Company from 30th June, 2015. Shri D.S. Singhvi has been appointed as Vice President (Finance) & Chief Financial Officer of the Company with effect from 1st July, 2015.

Shri A.K. Sharma, Company Secretary & Compliance Officer of the Company has resigned from 13th June, 2015 and Shri Gaurav Goyal has appointed as Company Secretary & Compliance Officer of the Company from 29th June, 2015.

The Company has received declarations from all the Independent directors of the Company that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Policy on Directors' Appointment and Remunerations

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed and adopted a policy for nomination, remuneration and evaluation of Directors, Key Managerial Personnel (KMP) and other employees of the Company.

al Personnel (KMP) and should have relevant

shall satisfy itself with the candidate identified under Section

Remuneration Policy

The Whole time Director/Managing Director/Key Managerial Personnel (KMP) and other employees shall be entitled to receive remuneration/ compensation/commission etc. as per the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

The Non Executive Directors and Independent Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board meetings within the overall limits prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Standard parameters were prepared after taking into consideration various aspects of the Board functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Company, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and the Non Independent Directors of the Company was carried out by the Independent Directors who have expressed their satisfaction with the evaluation process.

Number of Board Meetings

The Board of Directors duly met four times during the financial year from 1st April, 2014 to 31st March, 2015 i.e. 19th June, 2014, 27th September, 2014, 26th December, 2014 and 20th March, 2015. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

AUDIT COMMITTEE

The Board of Directors of the Company has constituted the Audit Committee of Directors to act in accordance with the terms of reference specified by the Board as stipulated in Section 177 of the Companies Act, 2013. The details of Committee members are as follows:-

S.No.	Name of Director	Designation	Category
1.	Shri R. Raniwala	Chairman	Independent Director
2.	Shri S.B.L. Jain	Member	Independent Director
3.	Shri H.L. Sharma	Member	Executive Director

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and loss of the Company for that period;
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The directors have prepared the annual accounts on a going concern basis;
- The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s B.L. Verma & Co. (Firm Registration No. 001064C), Chartered Accountants were appointed as Statutory Auditors of the Company at the last Annual General Meeting held on 27th September, 2014 for a period of three years subject to ratification by members at every consequent Annual General Meeting. Accordingly, the appointment of M/s B.L. Verma & Co. Chartered Accountants, as statutory auditors of the Company, is placed for ratifications by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The observations made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s JAKS & Associates, Company Secretaries, Jaipur to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as **Annexure-C**.

The observations in Secretarial Audit Report which pertains mainly to listing agreement requirements, stock exchange compliances etc., it is clarified that the company will take

necessary action after approval of amalgamation of Modern Terry Towels Limited with the Company and ensures that all the provisions will be complied to the fullest extent.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134 (3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format (MGT-9) is annexed herewith as **Annexure-D** to the Board's Report.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the Company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure-E**.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations to safeguard and protect from loss, unauthorized use or disposition of its assets. The Internal Auditor ensure and evaluates the efficacy and adequacy of internal control system of the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. The Company is following all the applicable Accounting Standards in respect of maintenance of books of accounts and reporting financial statements. All the transactions are properly authorized, recorded and reported to the Management of the Company. Significant audit observations and recommendations along with corrective actions taken by the management thereon are presented to the Audit Committee meetings and thereafter Board Meetings.

BUSINESS RISK MANAGEMENT

In accordance with Clause 49 of the Listing Agreement, the Board of Directors of the Company formally adopted a policy i.e. Risk Management Policy for framing, implementing and monitoring the risk management plan of the Company. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. The policy establishes a structured and disciplined approach to Risk Management. In the challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks of the Company inter alia are competition, technology obsolescence, raw material availability, retention of talent and statutory and regulatory compliances etc. As a matter of policy, these risks are assessed and appropriate steps are taken to mitigate the same.

CODE OF CONDUCT

The Company has a Code of Conduct which is applicable to the Board of Directors, Key Managerial Personnel and all other employees in the course of day to day business operations of the Company. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors, Key Managerial Personnel and all other designated employees of the Company in their business dealings and in particular on matters relating to integrity in the work place, business practices and dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

VIGIL MECHANISM

Pursuant to the provision of Section 177 (9) and (10) of the Companies Act, 2013, the Company has adopted Vigil Mechanism, which also incorporates a whistle blower policy for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud and violation of the Company's code of conduct and ethics. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Details relating to deposits covered under the Provisions of Companies Act, 2013.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and the date of this report.
- No significant or material orders were passed by the regulators or Courts or Tribunals which impact the going concern status and Company's Operations in future.

ACKNOWLEDGEMENTS

First thanks to the Members of the Company, Bankers, Creditors, Suppliers, Executives, Staff and Workers at all times for their assistance.

ON BEHALF OF THE BOARD

(Sachin Ranka)
 Chairman & Managing Director

Annexure A to Boards' Report FORM NO. AOC-2

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

This form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2015, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at Arm's length basis.

S. No.	Name (s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/transactions	Duration of the contracts/ arrangements/ transactions	Salient term of the contracts or arrangements transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1.	Shubham Corporate Advisory Services Pvt. Ltd.	One of the Directors is interested	Leave and License agreement of corporate office premises	01.08.2013 to 31.07.2015	Use of Office space for Corporate Head Quarter at Mumbai at a monthly compensation of Rs. 50000/- plus applicable service tax	28.06.2013	Nil
2.	Shri Shreyans Ranka	Relative of KMP	Appointment as Vice President (Strategic Initiative) with remuneration	7.10.2012 to 31.03.2016	Vice President (Strategic Initiative) with remuneration of Rs. 1 Lac P.M. (gross) and increment not exceeding Rs. 25000/- P.M. (Gross) for second & third year	28.10.2012 & 20.03.2015	Nil
3.	Smt. Meena Ranka	Relative of KMP	Rent Agreement	01.10.2012 to 30.09.2017	Rent of Guest House at Jaipur a monthly compensation Rs. 20,000/-	21.09.2012	Nil
4.	Smt. Smriti Ranka	Relative of KMP	Rent Agreement	01.12.2013 to 30.11.2015	Rent of Guest House at Ahmadabad at a monthly compensation of Rs. 1,20,000/- plus applicable Service Tax	27.09.2013	Nil

Annexure B to Boards' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken.

The Company through its CSR initiatives will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate with environmental concern. To achieve these goals, the Company will continue to:

- Take initiatives directly or in association with other organizations and organize programs that benefit the communities in and around its areas of operations over a period of time in terms of enhancing the quality of life and economic well being of the general public.
- Generate through its CSR initiatives, community goodwill for the Company and help reinforce a positive & socially responsible image of MIL as a corporate entity.
- Ensure commitment at all levels in the organization to operate its business in an economically, socially & environmentally sustainable manner while recognizing the interests of all its stakeholders.

2. The Composition of the CSR Committee:

S.No.	Name of Director	Designation	Category
1.	Shri Sachin Ranka	Chairman	Chairman & Managing Director
2.	Shri R. Raniwala	Member	Independent Director
3.	Shri H.L. Sharma	Member	Executive Director

3. Average net profit of the Company for last three financial years:

Average Net Profit: Rs 19.53 Crores.

4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)

The Company is required to spend Rs. 39.10 Lacs.

5. Details of CSR spent during the financial year:

(a) Total amount spent for the financial year: Rs. 39.52 Lacs.

(b) Amount unspent, if any: Nil

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs: (1) Local area or other. (2) Specify the State and District where projects or programs was undertaken	Amount outlay (Budget) Project or programs wise (Rs. in Lacs)	Amount spent on the projects or programs. Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads (Rs. in Lacs)	Cumulative expenditure up to the reporting period (Rs. in Lacs)	Amount Spent: Direct or through implanting agency (Rs. in Lacs)
1.	Medical relief including medical camps, general health care activities etc.	Health Care	Mumbai (Maharashtra) & Abu Road (Rajasthan)	26.32	26.32	26.32	Through H.S. Ranka Foundation & Modern Swastik seva sansthan
2.	Prevention, early diagnosis and early treatment of cancer patients	Health Care	Mumbai (Maharashtra)	11.00	11.00	11.00	Through JASCAP
3	Rural Development including Educational programs at rural areas, development of vocational skills especially for children of rural areas.	Rural Development	Danta (Rajasthan) & Jaipur(Rajasthan)	2.20	2.20	2.20	Through Acharya Nanesh Samta Vikas Trust & Bharat Seva Sansthan
	Total			39.52	39.52	39.52	

6. We hereby affirm that the CSR Policy as approved by the Board has been implemented and the CSR Committee as well as the Board monitors the implementation of the CSR activities/programs undertaken by the Company in compliance of CSR objectives and policy of the Company.

Date: 29th June, 2015
Place: Mumbai

(Sachin Ranka)
Chairman & Managing Director &
Chairman of CSR Committee

Annexure C to Boards' Report
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST March, 2015

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

To,

The Members

MODERN INSULATORS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Modern Insulators Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Modern Insulators Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Modern Insulators Limited for the financial year ended on **31st March, 2015** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the Audit Period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**);

- (vi) The laws as are applicable specifically to the Company are as under:
 - (a) Labour laws
 - (b) Environment laws
 - (c) Petroleum Act, 1934 and rules made there under;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (**Not notified hence not applicable to the Company during the audit period**).
- (ii) The Listing Agreements entered into by the Company with BSE LIMITED, JAIPUR STOCK EXCHANGE, MADRAS STOCK EXCHANGE, BANGLORE STOCK EXCHANGE, CALCUTTA STOCK EXCHANGE, DELHI STOCK EXCHANGE, and AHMADABAD STOCK EXCHANGE.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:-

1. The company has its website but the disclosures are not as per the Companies Act, 2013 and Listing Agreement.
2. The company has not complied with the provisions of listing agreement and SEBI Rules and Regulations, wherever applicable with the Company.
3. The Shares of the Company are not in dematerialized form therefore the company has not comply the provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. The trading of the company with stock exchanges is suspended from 07.01.2002.

We further report that

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors in compliance with the Companies Act 2013 but not in accordance with listing agreement. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

This report is to be read with our letter of even date which is annexed as **ANNEXURE 'A'** and forms an integral part of this report.

For JAKS & ASSOCIATES

Deepak Arora
[Partner]

FCS No. 5104
C P No.: 3641

Place: JAIPUR
Date: 29th June, 2015

ANNEXURE 'A'

To,
 The Members
 Modern Insulators Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company.
4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance Acts, the Customs Act, 1962, the Central Excise Act, 1944 and Service Tax except some dues as mentioned in Independent Auditors' Report. There are some disputed statutory dues, which have not been deposited on account of matter pending before appropriate authorities as mentioned in Independent Auditors' Report.
5. Where ever required, we have obtained the Management representation about the compliance of Laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For JAKS & ASSOCIATES

Deepak Arora
 [Partner]

Place: JAIPUR
 Date: 29th June, 2015

FCS No. 5104
 C P No.: 3641

Annexure D to Boards' Report
FORM NO. MGT-9 (EXTRACT OF ANNUAL RETURN)
as on the financial year ended on 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	: L31300RJ1982PLC002460
ii	Registration Date	: 01/05/1982
iii	Name of the Company	: MODERN INSULATORS LIMITED
iv	Category/Sub-Category of the Company	: Company Limited by Shares
v	Address of the Registered office & contact details	: A-4, Vijay Path, Tilak Nagar, Jaipur-302004, Rajasthan
vi	Whether listed Company	: Yes
vii	Name, Address and contact details of Registrar & Transfer Agent, if any.	: In house

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name & Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	Insulators & Metal Fittings	03233	68.18
2	Yarn	17111	31.82

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Motile Power Trade Pvt. Ltd.	U51109MH2009PTC191078	Subsidiary	86%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	-	2010	2010	0.009	-	2010	2010	0.009	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	-	11884286	11884286	54.66	-	11884086	11884086	54.66	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A)(1):-	-	11886296	11886296	54.67	-	11886096	11886096	54.67	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	-	11886296	11886296	54.67	-	11886096	11886096	54.67	-
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	1000000	1000000	4.60	-	1000000	1000000	4.60	-
b) Banks/FI	-	1450	1450	0.007	-	1450	1450	0.007	-
c) Central govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):-	-	1001450	1001450	4.61	-	1001450	1001450	4.61	-
(2) Non Institutions									
a) Bodies Corporates									
i) Indian	-	331545	331545	1.52	-	331795	331795	1.52	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-	7004009	7004009	32.21	-	6960409	6960409	32.01	(0.20)
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	-	922525	922525	4.24	-	966275	966275	4.44	0.20
c) Others (NRI's)	-	597675	597675	2.75	-	597475	597475	2.75	-
SUB TOTAL (B)(2):-	-	8855754	8855754	40.72	-	8855954	8855954	40.72	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	9857204	9857204	45.33	-	9857404	9857404	45.33	-
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	21743500	21743500	100.00	-	21743500	21743500	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during
		No. of shares	% of total shares of the company	% of Shares pledged encumbered to total shares	No. of s Share	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Hari Singh Ranka	10	-	-	10	-	-	-
2	Sachin Ranka	500	0.002	-	500	0.002	-	-
3	Shreyans Ranka	500	0.002	-	500	0.002	-	-
4	Smriti Ranka	500	0.002	-	500	0.002	-	-
5	Suvrat Ranka	500	0.002	-	500	0.002	-	-
6	Admiral Exports Pvt. Ltd.	1014600	4.67	4.66	650	0.003	-	(4.66)
7	Ajaymeru Trading & Investment Pvt. Ltd.	5656915	26.02	0.69	6527615	30.02	-	4.00
8	Chand Merchant Pvt. Ltd.	28950	0.13	0.13	-	-	-	(0.13)
9	Kakunda Investment Pvt. Ltd.	562520	2.59	2.53	13520	0.06	-	(2.53)
10	Pride Mercantiles Pvt. Ltd.	4496301	20.68	-	5342101	24.57	-	3.89
11	Vulvan Traders Pvt. Ltd.	125000	0.57	0.57	200	-	-	(0.57)
	Total	11886296	54.67	8.58	11886096	54.67	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding at the end of the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Admiral Exports Pvt. Ltd. At the beginning of the year Interse transfer on 06.02.2015 Interse transfer on 27.02.2015 At the End of the year	1014600 (167950) (846000)	4.67 (0.77) (3.89)	1014600 846650 650 650	4.67 3.90 0.01 -
2.	Ajaymeru Trading & Investments Pvt. Ltd. At the beginning of the year Interse transfer on 06.02.2015 Interse transfer on 06.02.2015 & 27.02.2015 At the End of the year	5656915 321700 549000	26.02 1.48 2.52	5656915 5978615 6527615 6527615	26.02 27.50 30.02 30.02
3.	Chand Merchant Pvt. Ltd. At the beginning of the year Interse transfer on 06.02.2015 At the End of the year	28950 (28950)	0.13 (0.13)	28950 - -	0.13 - -
4.	Kakunda Investment Pvt. Ltd. At the beginning of the year Interse transfer on 27.02.2015 At the End of the year	562520 (549000)	2.59 (2.53)	562520 13520 13520	2.59 0.06 0.06
5.	Pride Mercantiles Pvt. Ltd. At the beginning of the year Transfer on 04.08.2014 Interse Transfer on 27.02.2015 At the End of the year	4496301 (200) 846000	20.68 0.00 3.89	4496301 4496101 5342101 5342101	20.68 20.68 24.57 24.57
6.	Vulvan Traders Pvt. Ltd. At the beginning of the year Interse Transfer on 06.02.2015 At the End of the year	125000 (124800) -	0.57 (0.57) -	125000 200 200	0.57 - -

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding at the end of the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	UTI Opportunities Fund	1000000	4.599	1000000	4.599
2.	Sushil Kumar Bhandari	95850	0.441	95850	0.441
3.	Ranjana Dugar	78500	0.361	78500	0.361
4.	Ramesh Dugar	78450	0.361	78450	0.361
5.	Meenu Garg	74075	0.341	74075	0.341
6.	3A Financial Services Ltd.	67600	0.311	68850	0.317
7.	All Time Securities Pvt. Ltd.	58054	0.267	57054	0.262
8.	Ravi Laju Chanrai	50100	0.230	50100	0.230
9.	Satyanarayan S Mody	50000	0.230	50000	0.230
10.	Kavita Laju Chanrai	50000	0.230	50000	0.230

(v) Shareholding of Directors & Key Managerial Personnel:

Sl. No.	For Each of the Directors & Key Managerial Personnel	Shareholding at the beginning of the Year		Cumulative Shareholding at the end of the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Shri Sachin Ranka - Chairman & Managing Director	500	0.002	500	0.002
2.	Shri H.L. Sharma - Executive Director	-	-	50	-
3.	Shri D.B. Deshpande - Executive Director	-	-	-	-
4.	Shri S.B.L. Jain - Independent Director	-	-	-	-
5.	Shri R. Raniwala - Independent Director	-	-	-	-
6.	Shri P.K. Rao - Independent Director	-	-	-	-
7.	Shri Meenu Sacheti - Director	-	-	-	-
8.	Shri S.D. Gupta - Chief Financial Officer	500	0.002	500	0.002
9.	Shri A.K. Sharma - Company Secretary	-	-	10	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lacs)

	Secured Loans excluding deposit	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount(Car loans)	21.12	-	-	21.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	21.12	-	-	21.12
Change in Indebtedness during the financial year				
• Addition	22.02	-	-	22.02
• Reduction	11.88	-	-	11.88
Net Change	10.14	-	-	10.14
Indebtedness at the end of the financial year				
i) Principal Amount	31.26	-	-	31.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	31.26	-	-	31.26

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager:

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Sachin Ranka (CMD)	H.L. Sharma (ED)	D.B. Deshpande (ED)	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961	24.00	12.90	45.96	82.86
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	2.88	4.03	7.59	14.50
	(c) Profits in lieu of Salary under section 17(3) of the Income Tax Act, 1961				
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil
	-as % of profit	Nil	Nil	Nil	Nil
	-others (specify)	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	26.88	16.93	53.55	97.36
	Ceiling as per the Act				139.65

B. Remuneration to other Directors:

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of the Directors				Total Amount
		R. Raniwala	S.B.L. Jain	P.K. Rao	Meenu Sacheti	
1.	Independent Directors					
	• Fee for attending board/committee meetings	0.20	0.17	Nil	Nil	0.37
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	0.20	0.17	Nil	Nil	0.37
2.	Other Non-Executive Directors					
	• Fee for attending board/committee meetings	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	0.20	0.17	Nil	Nil	0.37
	Total Managerial Remuneration					97.73
	Overall Ceiling as per the Act					139.65

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	3.14	25.15	28.29
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.30	7.59	8.89
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	–as % of profit	Nil	Nil	Nil
	–others, specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total	4.44	32.74	37.18

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty Punishment Compounding			None		
B. DIRECTORS					
Penalty Punishment Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding			None		

Annexure E to Boards' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy:

S.No.	Particulars	Remarks
(i)	The steps taken or impact on conservation of energy:	Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring through improved operational techniques.
(ii)	The steps taken by the Company for utilizing alternate sources of energy:	
(iii)	The capital investment on energy conservation equipments:	

(B) Technology absorption:

a) Efforts, in brief made towards technology absorption, adoption and innovation:

- i) We are in the process of converting kiln linings with pyroblocks in place of bulky bricks. This is resulting in better fuel economy. So far we have successfully converted 7 kilns.
- ii) Successful installation of coal gasifier plant to generate producer gas & its use in firing of insulators for betterment of firing output. We have provided specially designed microfilters in the producer gas line to trap iron & dust particles.
- iii) Controlled electrical drying of heavy- section solid core & critical hollow insulators has been successfully developed & implemented in regular production.
- iv) High frequency Pug Electric Drying has been tried out successfully up to 600 Hz frequency.
- v) VFD installed on another four agitators for power saving without affecting quality parameters.
- vi) Conventional fluorescent lights replaced by LED lights for street lighting & plant lighting to save power.
- vii) Plant scale implementation & stabilization of 3 alternative clays without affecting productivity & recovery performance of porcelain.
- viii) Development of alternative Bauxite body recipe utilising low cost clay combination.
- ix) Development of low temperature maturing Bauxite body for certain types of insulators.
- x) Development & plant scale implementation of graphite based conducting paint for better electrical connectivity.

b) Benefits derived as a result of above efforts:

- i) Improvement in efficiency & productivity.
- ii) Improvement in quality & reliability of products
- iii) Reduction in firing cycle time & cost saving with increased productivity.
- iv) Reduction in power cost due to reduced power consumption.
- v) Reduction in rejections at various stages.
- vi) Entry in new product segment.
- vii) Uninterrupted plant operations at optimum level with desired yield.

c) In case of Imported technology (Imported during last three years reckoned from the beginning of the financial year): Nil

d) Expenditure incurred on R&D

i) Capital	: –
ii) Recurring	: Rs.301.29 lacs
Total	: Rs.301.29 lacs

Total R&D expenditure, as %age of total turnover: 0.66 %

(C) Foreign exchange earnings and Outgo:

The Company has earned during the period foreign exchange of Rs. 5536.45 Lacs at F.O.B. price against an outgo of Rs. 1354.08 Lacs.

INDEPENDENT AUDITORS' REPORT

**To the Members of
Modern Insulators Limited**

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Modern Insulators Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

(a) *Provision for taxation (including interest) estimated at ₹ 562.74 lacs for current year (upto the year ₹ 8362.97 lacs) has not been made in accounts, in view of proposed amalgamation proceedings awaiting approvals. Meanwhile Income Tax department has completed assessments for Assessment Years 2008-09 to 2012-13 wherein substantive assessment orders have been passed allowing losses pertaining to proposed amalgamation with nil liability and at the same time protective assessment orders have been made (presuming that no amalgamation had taken place) with demand of ₹ 4518.92 lacs which shall be effective if the amalgamation scheme is not sanctioned.(Note No.30).*

(b) *Balances of Trade Payables & Trade Receivables are subject to reconciliations/confirmations (Note No.8.1 & 15.2).*

(c) *The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given (Note No.8.2).*

Opinion

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

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by Section 143(3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

For **B.L. Verma & Co.**
Chartered Accountants
(Firm Regn. No.001064C)

(B.L. Verma)
Partner
(Membership No.010900)

Place: Jaipur
Date: 29th June, 2015

ANNEXURE FORMING PART OF THE INDEPENDENT AUDITORS' REPORT

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

- (i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets except furniture & fixtures for which detailed records are not maintained.
- (b) As per information and explanations given to us, most of the fixed assets have been physically verified during the year by management in accordance with a phased programme of verification at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) (a) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) According to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventories. As explained to us, the discrepancies noticed on physical verification between the physical stocks and the book records were not material.
- (iii) (a) The company had given unsecured loan to a subsidiary company. The said loan is without interest and principal amount is repayable on demand.
- (b) The company has given interest-free loan/advance to a company covered under section 189 of Companies Act, 2013 in view of proposed amalgamation awaiting approvals.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchases of inventory, fixed assets and for the sale of goods and services. On the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across, nor have we been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to sub-section (1) of Section 148 of the Companies Act 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, service tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it and no undisputed statutory dues as noted above is outstanding for a period of more than six months from the date it became payable. The company has not paid/provided income tax (refer comments under the Head "Basis

for Qualified Opinion" in Auditors' Report and Note No.30 of Financial Statement).

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, VAT, duty of excise and Service Tax etc. as at 31st March 2015 which have not been deposited on account of dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act 1956 and RV Act 2013	CST and VAT	15.48	2009-10 & 2011-12	Assistant Commissioner Commercial Taxes, Pali
Central Excise Act 1944	Excise Duty & Service Tax	98.57	Various years from 2005-06 to 2010-11	Central Excise and Service Tax Appellate Tribunal, Delhi
		21.48	2012-13 & 2013-14	Commissioner Central Excise (Appeals), Jaipur
		129.75	2004-05 to 2014-15	Departmental authorities at various places

- (c) In our opinion and according to the information and explanations given to us, there is no amount which is required to be transferred to Investor Education & Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and the rules made thereunder.
- (viii) The Company does not have accumulated losses as at the end of the financial year and it has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (ix) Based on our audit and as per information and explanations given by the management, there has been no default in repayment of dues to bank during the year. There are no dues to financial institutions or debenture holders.
- (x) As per information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The company has not taken any fresh term loan during the year under review.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **B.L. Verma & Co.**
 Chartered Accountants
 (Firm Regn. No.001064C)

(B.L. Verma)
 Partner
 (Membership No.010900)

Place: Jaipur
 Date: 29th June, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in lacs)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	1	2174.35	2174.35
Reserves & Surplus	2	21382.26	19718.21
		<u>23556.61</u>	<u>21892.56</u>
Non-Current Liabilities			
Long-term borrowings	3	18.45	14.49
Deferred Tax Liability (Net)	4	1211.70	1479.26
Other long term liabilities	5	862.67	1007.77
Long term provisions	6	1051.13	904.92
		<u>3143.95</u>	<u>3406.44</u>
Current Liabilities			
Short term borrowings	7	6020.21	4874.02
Trade payables	8	2808.03	3244.74
Other current liabilities	9	2350.98	1701.09
Short-term provisions	6	155.01	177.14
		<u>11334.23</u>	<u>9996.99</u>
Total		<u>38034.79</u>	<u>35295.99</u>
ASSETS			
Non Current Assets			
Fixed assets			
Tangible assets	10	13800.91	13200.23
Intangible assets	10	16.94	32.31
Capital work-in-progress		218.67	199.14
		<u>14036.52</u>	<u>13431.68</u>
Non current investments	11	117.11	117.11
Long term loans and advances	12	6036.12	4776.33
		<u>20189.75</u>	<u>18325.12</u>
Current assets			
Current investments	13	1584.78	1870.08
Inventories	14	7883.13	6087.44
Trade receivables	15	6375.42	6594.35
Cash and bank balances	16	415.81	723.09
Short term loans and advances	12	1475.23	1544.60
Other current assets	17	110.67	151.31
		<u>17845.04</u>	<u>16970.87</u>
Total		<u>38034.79</u>	<u>35295.99</u>
Significant Accounting Policies			
Other Notes on Financial Statement			
As per our report of even date attached		25 to 37	
For and on behalf of the Board			
For B.L. VERMA & CO. Chartered Accountants (FRN No. 001064C)	Sachin Ranka	– Chairman & Managing Director	
	S.B.L. Jain R. Raniwala H.L. Sharma	} Directors	
(B.L. VERMA) Partner (Membership No. 10900)	S.D. Gupta	– Chief Financial Officer	
Place : Jaipur	Gaurav Goyal	– Company Secretary	
Date : 29th June, 2015	Place : Mumbai		

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lacs)

Particulars	Note No.	Year ended 31.03.2015	Year ended 31.03.2014
INCOME:			
Revenue from Operations	18	41792.90	45932.50
Other Income	19	551.95	457.32
Total Revenue		<u>42344.85</u>	<u>46389.82</u>
EXPENSES:			
Cost of materials consumed	20	16447.96	21569.93
Changes in inventories of finished goods & stock in Process	21	(806.33)	76.52
Employee benefits expense	22	4001.01	3517.28
Finance cost	23	1864.61	1159.71
Depreciation and amortization expense	10	939.20	824.20
Other expenses	24	18501.91	16630.73
Total Expenses		<u>40948.36</u>	<u>43778.37</u>
Profit before exceptional items & tax		1396.49	2611.45
Exceptional items		-	1040.00
Profit before tax		1396.49	1571.45
Tax Expense:			
Deferred tax		(267.56)	164.85
		(267.56)	164.85
Profit for the year		<u>1664.05</u>	<u>1406.60</u>
Earning per equity share (₹)			
Basic & Diluted	34	7.65	6.47

Significant Accounting Policies
Other Notes on Financial Statement

25 to 37

As per our report of even date attached

For and on behalf of the Board

For **B.L. VERMA & CO.**
 Chartered Accountants
 (FRN No. 001064C)

Sachin Ranka – Chairman & Managing Director

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

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

S.D. Gupta – Chief Financial Officer

Gaurav Goyal – Company Secretary

Place : Jaipur
 Date : 29th June, 2015

Place : Mumbai

SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

- a) The financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting principles in India, the applicable accounting standards and as per relevant provisions of the Companies Act, 2013.
- b) Income & expenditure are recognised and accounted for on accrual basis.

ii) Use of Estimates

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

iii) Fixed Assets

- a) Fixed Assets are stated at cost less depreciation.
- b) Direct expenses as well as clearly identifiable indirect expenses, incurred on project during the period of construction are capitalised to the respective assets.
- c) CENVAT credit and other recoverable taxes on capital goods are accounted for by reducing the cost of capital goods.

iv) Depreciation

Depreciation on fixed assets is provided as follows:

- a) Depreciation on fixed assets is provided on straight line method over the estimated useful life of the assets.
- b) Effective from 1st April, 2014 the company depreciates its fixed assets over the useful life in the manner prescribed in schedule II of the Act, as against the earlier practice of depreciating at the rates prescribed in schedule XIV of the Companies Act, 1956.
- c) No amount has been written off from leasehold land. The same will be charged to the Profit & Loss Account only in the year in which the respective lease period expires.

v) Investments

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

vi) Inventories

- a) Raw materials, Stores & spares and stock in process are valued at cost.
- b) Finished Stock is valued at lower of cost or estimated net realisable value.
- c) Waste is valued at estimated net realisable value.

Cost of raw materials & stores is computed on weighted average basis. Finished goods and stock in process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The net realisable value of leftover stock out of the products manufactured as per customers' specifications are estimated at nominal value.

vii) Revenue Recognition

- a) Sale of goods is recognised on the basis of despatch. Sales is shown inclusive of excise duty.
- b) Claims of customers & others are accounted for as and when settled.

viii) Excise Duty/Cenvat

- a) Excise duty is accounted for on the basis of payments made in respect of goods cleared and provision made for goods lying in bonded warehouse.

- b) The Cenvat credit in respect of excise duty is utilised for payment of excise duty on goods despatched. The unutilised Cenvat credit is carried forward in the books.

ix) Borrowing cost

Borrowing costs which are attributable to acquisition or construction of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is one which necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

x) Employee Benefits:

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

xi) Foreign Currency Transactions

Transactions in foreign currency are recorded on the basis of exchange rates prevailing on the date of their occurrence. Foreign currency assets and liabilities are converted into rupee equivalent at the exchange rates prevailing on the Balance Sheet date and exchange difference arising therefrom is charged to the revenue.

xii) Prior year adjustments

Income and expenditure pertaining to prior period are accounted for under respective heads of accounts in profit and loss account. Effect of such amount is disclosed in notes.

xiii) Research and Development

Revenue expenditure on Research and Development is charged as expenses in the year in which they are incurred. Capital expenditure is included in Fixed Assets and depreciation is provided at the respective applicable rates.

- xiv) Liability for import duty, if any, on export obligation yet to be completed under EPCG Scheme is accounted for on expiry of obligation period / extension thereof.

xv) Taxation

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

xvi) Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to statement of profit & loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimates of recoverable amount.

xvii) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes to the accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

- xviii) Accounting policies not specifically referred to otherwise, are consistent with generally accepted accounting principles.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

1. SHARE CAPITAL		(₹ in lacs)			
		As at 31.03.2015		As at 31.03.2014	
AUTHORISED					
2,50,00,000 (Previous Year 2,50,00,000) Equity shares of ₹ 10/- each		2500.00		2500.00	
5,00,000 (Previous Year 5,00,000) Preference shares of ₹ 100/- each		500.00		500.00	
		<u>3000.00</u>		<u>3000.00</u>	
ISSUED, SUBSCRIBED AND PAID-UP					
2,17,43,500 (Previous Year 217,43,500) Equity shares of ₹10/- each fully paid-up		2174.35		2174.35	
1.1 The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.					
1.2 Details of shareholders holding more than 5% of the total number of shares					
Name of the Share holder	As at 31.03.2015		As at 31.03.2014		
	No. of Shares	% Holding	No. of Shares	% Holding	
Ajaymeru Trading & Investments Pvt.Ltd	6527615	30.02	5656915	26.02	
Pride Mercantiles Pvt.Ltd	5342101	24.57	4496301	20.68	
1.3 Reconciliation of Number of Shares					
Equity shares at the beginning of the year		21743500		21743500	
Equity shares at the end of the year		<u>21743500</u>		<u>21743500</u>	
2. RESERVES AND SURPLUS		(₹ in lacs)			
		As at 31.03.2015		As at 31.03.2014	
Capital Reserve					
As per last balance sheet		25.00		25.00	
Debentures Redemption Reserve					
As per last balance sheet		-		320.00	
Less: Transferred to Statement of Profit & Loss		-		320.00	
		-		-	
Statement of Profit & Loss					
As per last balance sheet		19693.21		17966.61	
Add: Profit for the year		1664.05		1406.60	
Add: Transferred from Debenture Redemption Reserve		-		320.00	
Surplus in the Statement of Profit & Loss		<u>21357.26</u>		<u>19693.21</u>	
Total		<u>21382.26</u>		<u>19718.21</u>	
3. LONG TERM BORROWINGS		(₹ in lacs)			
		As at 31.03.2015		As at 31.03.2014	
		Non current	Current	Non current	Current
Secured					
Term loans from bank					
		18.45	12.81	14.49	6.63
		<u>18.45</u>	<u>12.81*</u>	<u>14.49</u>	<u>6.63*</u>
*Considered in other current liabilities (Note No.9).					
3.1 Term loans are secured against hypothecation of the specific vehicles.					
3.2 Term loans are repayable as per various payment schedules. Last instalment due in February-2018. Rate of Interest 10.65% p.a. (Previous year 10.65% p.a.).					
4. DEFERRED TAX LIABILITY (NET)		(₹ in lacs)			
		As at 31.03.2015		As at 31.03.2014	
a) Deferred Tax Liability					
Depreciation		2103.48		2196.48	
b) Deferred Tax Asset					
Provisions allowable for Tax purpose on payment basis		871.83		682.21	
Others (Provision for doubtful debts)		19.95		35.01	
		<u>891.78</u>		<u>717.22</u>	
Net Deferred Tax Liability		<u>1211.70</u>		<u>1479.26</u>	
5. OTHER LONG TERM LIABILITIES		(₹ in lacs)			
		As at 31.03.2015		As at 31.03.2014	
Entry tax payable		560.48		1007.77	
Interest on Entry tax Payable		302.19		-	
Total		<u>862.67</u>		<u>1007.77</u>	
6. PROVISIONS		(₹ in lacs)			
		As at 31.03.2015		As at 31.03.2014	
		Long term	Short term	Long term	Short term
Provisions for employee benefits					
For Gratuity		874.10	64.08	749.81	55.18
For unavailed leaves		177.03	45.13	155.11	39.21
		<u>1051.13</u>	<u>109.21</u>	904.92	94.39
Other provisions					
For excise duty on closing finished stock		-		82.75	
Total		<u>1051.13</u>	<u>155.01</u>	<u>904.92</u>	<u>177.14</u>

7. SHORT TERM BORROWINGS (₹ in lacs)

	As at 31.03.2015	As at 31.03.2014
Secured		
Bank borrowings for working capital	<u>6020.21</u>	<u>4874.02</u>
7.1 Borrowings for working capital are secured by hypothecation of stocks, book debts and first charge on fixed assets of Insulator Division and are personally guaranteed by none of the directors.		

8. TRADE PAYABLE (₹ in lacs)

	As at 31.03.2015	As at 31.03.2014
Trade payable	<u>2808.03</u>	<u>3244.74</u>
8.1 Balances of trade payables are subject to reconciliations/confirmations.		
8.2 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.		

9. OTHER CURRENT LIABILITIES (₹ in lacs)

	As at 31.03.2015	As at 31.03.2014
Current maturities of long term borrowings(Refer note No.3)	12.81	6.63
Entry Tax Payable	599.05	-
Statutory dues	61.62	106.31
Payable towards capital goods	120.50	98.91
Advance received from customers	242.29	280.56
Sundry deposits	104.62	100.64
Other payable*	1210.09	1108.04
Total	<u>2350.98</u>	<u>1701.09</u>

* Includes employees dues, interest on entry tax and liabilities for expenses etc.

10. FIXED ASSETS (₹ in lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	AS AT 01.04.2014	ADDITIONS	DEDUCTION	AS AT 31.03.2015	AS AT 01.04.2014	FOR THE YEAR	DEDUCTIONS	AS AT 31.03.2015	AS AT 31.03.2015	AS AT 31.03.2014
I. TANGIBLE ASSETS										
Land	1042.18	3.00	-	1045.18	-	-	-	-	1045.18	1042.18
Building	3662.30	310.71	-	3973.01	1064.81	240.82	-	1305.63	2667.38	2595.76
Plant & Machinery	18041.54	1174.86	26.03	19190.37	8797.66	608.45	7.93	9398.18	9792.19	9245.61
Furniture & Fixtures	225.50	34.94	4.11	256.33	130.62	21.75	1.59	150.78	105.55	94.88
Office Equipments	185.47	10.55	4.10	191.92	139.43	26.19	3.90	161.72	30.20	46.04
Vehicles	236.02	15.31	8.70	242.63	60.26	26.62	4.66	82.22	160.41	175.76
Total	23393.01	1549.37	42.94	24899.44	10192.78	923.83	18.08	11098.53	13800.91	13200.23
II. INTANGIBLE ASSETS										
Computer Software	89.61	-	-	89.61	57.30	15.37	0.00	72.67	16.94	32.31
TOTAL	23482.62	1549.37	42.94	24989.05	10250.08	939.20	18.08	11171.20	13817.85	13232.54
PREVIOUS YEAR	22638.05	886.77	42.20	23482.62	9452.69	824.20	26.81	10250.08	13232.54	-

(a) In accordance with the provisions of schedule II of the Companies Act 2013, due to change in estimated useful life of the assets, depreciation charged to the Statement of Profit & Loss is lower by ₹ 10.67 lacs as compared to depreciation as per schedule XIV of Companies Act 1956.

(b) In accordance with the provisions of schedule II of the Companies Act 2013, in case of fixed assets which have completed their useful life as at 1st April 2014, the carrying value (net of residual value) amounting to ₹ 39.56 lacs as per transitional provisions, has been recognised in statement of Profit and Loss.

11. NON CURRENT INVESTMENTS (₹ in lacs)

	As at 31.03.2015	As at 31.03.2014
LONG TERM INVESTMENTS (AT COST)		
Trade Investments(Unquoted)		
a. Investment in Govt. securities		
National Saving Certificates (Deposited with Govt. department)	0.01	0.01
b. Investment in shares of subsidiary company		
Motile Power Trade Private Ltd. 43000 Equity shares of ₹ 10/- each, fully paid up; (Previous year 43000 Equity shares of ₹ 10/- each, fully paid up)	4.30	4.30

	As at 31.03.2015	As at 31.03.2014
(₹ in lacs)		
c. Investment in shares of other company		
VS Lignite Power Pvt. Ltd.*		
385186 Class 'A'- Equity shares of ₹ 10/- each, fully paid up; (Previous year 385186 Class 'A'- Equity shares of ₹ 10/- each, fully paid up)	38.52	38.52
742814 Class 'A'- 0.01% Cumulative & Redeemable Preference shares of ₹ 10/- each, fully paid up; (Previous year 742814 Class 'A'- 0.01% Cumulative & Redeemable Preference shares of ₹ 10/- each, fully paid up)	74.28	74.28
*Lying with said company under lien.		
Total	117.11	117.11

	As at 31.03.2015		As at 31.03.2014	
(₹ in lacs)				
	Long term	Short term	Long term	Short term
Loans and advances to related party (Refer Note No.28)	4014.86	-	2715.95	-
Loans to Subsidiary company (Refer Note No.29)	1300.00	-	1300.00	-
Capital advances	285.05	-	358.04	-
Income Tax advance	-	456.01	-	456.01
Tax deducted at Source	-	270.05	-	237.76
Balance with government Authorities	-	166.40	-	207.86
Prepaid expenses	-	55.78	-	69.76
Loans to employees	-	62.17	-	57.22
Advance to suppliers	-	300.11	-	348.47
Deposits	436.21	146.65	402.34	150.87
Others	-	18.06	-	16.65
Total	6036.12	1475.23	4776.33	1544.60

	As at 31.03.2015	As at 31.03.2014
(₹ in lacs)		
13. CURRENT INVESTMENTS		
Non-trade Investments (Quoted)		
a. HDFC Cash Management Fund	-	313.20
Nil (Previous Year 3124170.877 Units)		
b. Birla Sun Life Dynamic Bond Fund - Retail- Quarterly	-	166.13
Dividend - Regular Plan - Reinvestment Nil (Previous Year 1438553.511 Units)		
c. HDFC Gilt Fund LTP Growth	-	150.00
Nil (Previous Year 649696.592 Units)		
d. Birla Sun Life Floating Rate Long Term Growth	1584.78	1240.75
961636.171 Units (Previous Year 829011.178 Units)		
Total	1584.78	1870.08
13.1 - Market Value of Investment ₹ 1611.28 Lacs (Previous Year ₹ 1893.67 Lacs)		

	As at 31.03.2015	As at 31.03.2014
(₹ in lacs)		
14. INVENTORIES		
Raw Materials (In Transit ₹ 52.77 lacs; Previous Year ₹ 164.01 lacs)	2210.98	1333.29
Stocks in process	2717.77	2418.77
Finished stock	2302.55	1795.22
Stores & spares (In Transit ₹ 33.93 lacs; Previous Year ₹ 49.26 lacs)	651.83	540.16
Total	7883.13	6087.44

	As at 31.03.2015	As at 31.03.2014
(₹ in lacs)		
15. TRADE RECEIVABLES		
Trade Receivables (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	830.40	700.23
Considered doubtful	58.69	103.00
	889.09	803.23
Less : Provision for doubtful debts	58.69	103.00
	830.40	700.23
Others (Considered Good)	5545.02	5894.12
Total	6375.42	6594.35
15.1 Includes ₹ 1.30 lacs (Previous year ₹ 1.30 lacs) under litigation for which adequate provision has been made.		
15.2 Balances of trade receivables are subject to reconciliations/confirmations.		

	As at 31.03.2015	As at 31.03.2014
(₹ in lacs)		
16. CASH AND BANK BALANCES		
Cash and Cash equivalents		
Cash on Hand	5.53	2.55
Balances with Banks	204.04	529.78
Other Bank Balances		
Fixed Deposit with banks	206.24	190.76
Total	415.81	723.09

16.1 Fixed deposits with banks include deposits of ₹ 34.76 lacs (Previous year ₹ 21.12 lacs) with original maturity of more than 12 months.

16.2 Fixed deposits with banks against margin ₹ 191.24 lacs (Previous year ₹ 177.87 lacs) are held to secure the company's non- fund based limits availed from the banks.

17. OTHER CURRENT ASSETS		(₹ in lacs)	
	As at 31.03.2015	As at 31.03.2014	
Export benefits & insurance claims receivable	65.18	99.28	
Accrued interest	45.49	52.03	
Total	110.67	151.31	
18. REVENUE FROM OPERATIONS		(₹ in lacs)	
	Year ended 31.03.2015	Year ended 31.03.2014	
Sale of Products	45687.17	50145.25	
Other operating revenues			
Export Incentives	111.29	189.56	
	45798.46	50334.81	
Less : Excise duty	4005.56	4402.31	
Total	41792.90	45932.50	
18.1 : Particulars of sale of products			
Insulators & Metal fittings	31149.89	29349.76	
Yarn & Waste	14537.28	20795.49	
Total	45687.17	50145.25	
19. OTHER INCOME		(₹ in lacs)	
	Year ended 31.03.2015	Year ended 31.03.2014	
Liabilities & sundry balances written back (net)	83.29	9.14	
Interest Income	207.95	76.90	
Foreign exchange fluctuation (net)	14.45	183.38	
Miscellaneous Income (including dividend)	246.26	187.90	
Total	551.95	457.32	
20. COST OF MATERIALS CONSUMED		(₹ in lacs)	
	Year ended 31.03.2015	Year ended 31.03.2014	
	(₹ in lacs)	(₹ in lacs)	% of consumption
Imported	1355.05	1377.63	6.39
Indigenous	15092.91	20192.30	93.61
Total	16447.96	21569.93	100.00
20.1 Details of Materials Consumed	Year ended 31.03.2015	Year ended 31.03.2014	
Clays	1598.71	1549.45	
Calcined Alumina	2555.59	2462.82	
Metal Fittings	2498.60	2586.48	
Polyester Chips	8933.56	13956.78	
Spin Finish Oil	289.48	355.77	
Others	572.02	658.63	
Total	16447.96	21569.93	
21. CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS		(₹ in lacs)	
	Year ended 31.03.2015	Year ended 31.03.2014	
Inventories at the beginning of the year			
Finished goods	1795.22	2142.04	
Stock in process	2418.77	2148.47	
	4213.99	4290.51	
Less: Inventories at the end of the year			
Finished goods	2302.55	1795.22	
Stock in process	2717.77	2418.77	
	5020.32	4213.99	
Total	(806.33)	76.52	
22. EMPLOYEES BENEFITS EXPENSE		(₹ in lacs)	
	Year ended 31.03.2015	Year ended 31.03.2014	
Salaries, Gratuity, Wages, Bonus and other allowances	3627.30	3190.53	
Contribution to Provident & other Funds	321.61	282.14	
Staff & Labour Welfare	52.10	44.61	
Total	4001.01	3517.28	
22.1 Disclosure in respect of employee benefits as per Accounting Standard 15 is given below: -			
Assumptions	Year ended 31.03.2015	Year ended 31.03.2014	
- Discount rate	7.75% & 7.82%	8.50%	
- Expected rate of return on assets	-	-	
- Expected rate of future salary increase	5.25% & 5.50%	6.00%	

(₹ in lacs)

	Year ended 31.03.2015		Year ended 31.03.2014		
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded	
Change in present value of obligations					
Present value of obligations as at the beginning of the year	804.99	194.32	695.16	181.04	
Interest cost	68.37	16.46	55.62	14.48	
Current service cost	69.98	34.84	60.20	30.91	
Past service cost	-	-	-	-	
Benefits paid	(35.37)	(32.42)	(40.48)	(41.52)	
Actuarial loss on Obligations	30.21	8.97	34.49	9.41	
Present value of obligations as at the close of the year	938.18	222.17	804.99	194.32	
Change in fair value of plan assets	Not applicable		Not applicable		
Liability recognized in the Balance Sheet					
Present value of obligations as at the end of the year	938.18	222.17	804.99	194.32	
Fair value of plan assets as at the close of the year	-	-	-	-	
Funded status/difference	(938.18)	(222.17)	(804.99)	(194.32)	
Unrecognized Actuarial (Gain)/Loss	-	-	-	-	
Net Assets/(Liability) recognized in Balance Sheet	(938.18)	(222.17)	(804.99)	(194.32)	
Expenses recognized in statement of Profit and Loss					
Current service cost	69.98	34.84	60.20	30.91	
Past service cost	-	-	-	-	
Interest cost	68.37	16.46	55.62	14.48	
Expected return on plan assets	-	-	-	-	
Net Actuarial (Gain)/ Loss recognized during the year	30.21	8.97	34.49	9.41	
Total Expense recognized in statement of Profit and Loss	168.56	60.27	150.31	54.80	
Movement in liability recognised in the balance sheet					
Opening net liability	804.99	194.32	695.16	181.04	
Expenses as above	168.56	60.27	150.31	54.80	
Benefits Paid	(35.37)	(32.42)	(40.48)	(41.52)	
Actual return on plan assets	-	-	-	-	
Acquisition adjustments	-	-	-	-	
Closing net Liability	938.18	222.17	804.99	194.32	
Amounts for the current and previous four periods are as follows:					
Present Value of Obligation - Gratuity	31.03.2015 (12 months)	31.03.2014 (12 months)	31.03.2013 (12 months)	31.03.2012 (12 months)	31.03.2011 (18 months)
Defined Benefit Obligation	938.18	804.99	695.16	583.76	500.32
Plan Assets	-	-	-	-	-
Unrecognised past service Cost	-	-	-	-	-
Deficit	(938.18)	(804.99)	(695.16)	(583.76)	(500.32)
Experience adjustments on plan liabilities	(31.63)	(33.84)	(43.27)	(27.99)	27.97
Experience adjustments on plan assets	-	-	-	-	-
The above disclosures are based on information certified by the independent actuary.					

23. FINANCE COST

(₹ in lacs)

	Year ended 31.03.2015	Year ended 31.03.2014
Interest Expenses	1683.82	969.04
Other Borrowing Cost	180.79	190.67
Total	1864.61	1159.71

23.1 Interest includes ₹ 604.47 lacs (₹ 452.74 lacs relates to earlier years) towards interest on entry tax in view of order dated 27.02.2015 of Hon'ble Supreme Court of India.

24. OTHER EXPENSES

(₹ in lacs)

	Year ended 31.03.2015	Year ended 31.03.2014
MANUFACTURING EXPENSES		
Power & Fuel	9722.06	8184.13
Stores & Spares Consumption	3240.58	2729.40
Packing	2252.55	2209.67
Job Charges	489.49	398.57
Excise duty on increase/decrease in Finished Stock	(36.95)	(26.67)
Repairs & Maintenance:		
Plant & Machinery	658.11	669.56
Buildings	538.72	464.95
Others	29.76	21.67
Other expenses	315.49	261.92
	17209.81	14913.20
ADMINISTRATIVE EXPENSES		
Rent	51.05	30.63
Insurance (Net)	26.26	26.85
Rates & Taxes	15.60	8.90
Travelling & Conveyance	171.90	144.82

(₹ in lacs)

	Year ended 31.03.2015	Year ended 31.03.2014
Legal & Professional Expenses	96.70	65.67
Telecommunication Expenses	13.87	11.11
Directors fees and Expenses	0.37	0.31
Expenditure towards Corporate Social Responsibility(CSR)activities	39.52	-
Payment to Auditors		
for Audit fee	2.10	1.80
for Tax Audit fee	0.70	0.60
for Expenses	2.21	2.24
Other expenses	278.14	250.54
	<u>698.42</u>	<u>543.47</u>
SELLING EXPENSES		
Commission,rebates etc	128.90	433.66
Carriage outward(Net)	298.84	454.39
Bad debts written off	75.40	174.16
Less:Provision for doubtful debts	<u>44.31</u>	<u>56.71</u>
Sales Promotion & Advertisement	24.32	27.83
Insulators testing charges	74.46	124.85
Other expenses	22.41	19.13
	<u>580.02</u>	<u>1177.31</u>
OTHER EXPENSES		
Lease rent on land	0.05	0.05
Loss /(Profit) on sale of Fixed Assets(net)	13.61	(3.30)
	<u>13.66</u>	<u>(3.25)</u>
Total	<u>18501.91</u>	<u>16630.73</u>

	Year ended 31.03.2015		Year ended 31.03.2014	
	₹ in lacs	(%)	₹ in lacs	(%)
24.1 Value of stores,spare parts and components consumed:				
Imported	43.63	1.35	39.87	1.46
Indigenous	3196.95	98.65	2689.53	98.54
Total	<u>3240.58</u>	<u>100.00</u>	<u>2729.40</u>	<u>100.00</u>

25. CONTINGENT LIABILITIES NOT PROVIDED FOR

(₹ in lacs)

	As at 31.03.2015	As at 31.03.2014
i) Guarantees given by bankers on behalf of the Company	1687.42	2216.26
ii) Outstanding Letters of Credit	68.82	104.69
iii) Disputed liabilities, not acknowledged as debts	137.88	195.12
iv) Disputed Income Tax demand	7.50	7.50
Deposited under protest ₹ 7.50 lacs(Previous Year ₹ 7.50 lacs)		
v) Disputed Land Tax demand	15.70	15.70
Deposited under protest ₹ 15.70 lacs(Previous Year ₹ 15.70 lacs)		
vi) Disputed Excise duty /Service Tax demands	270.08	217.57
Deposited under protest ₹ 20.28 lacs(Previous Year ₹ 20.28 lacs)		
vii) Disputed Sales Tax demand	15.48	448.59
Deposited under protest ₹ Nil (Previous Year ₹ 85.57 lacs)		
viii) Interest on disputed Entry Tax	-	403.78

26. COMMITMENTS

(₹ in lacs)

	As at 31.03.2015	As at 31.03.2014
Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)	<u>2419.46</u>	<u>2851.32</u>

27 Profit for the year has been arrived at after adjusting prior year debits ₹ 491.43 lacs (Previous year ₹ 7.07 lacs) and prior year credits ₹ Nil (Previous year ₹ 2.09 lacs). Expenses/Income arisen/settled during the year have been charged to revenue.

28 Long term loans and advances include interest free loan of ₹ 4014.86 lacs (Previous year ₹ 2715.95 lacs) paid to a company covered under section 189 of Companies Act 2013 in view of proposed amalgamation, awaiting approvals (Maximum amount due at any time during the year ₹ 4014.86 lacs; previous year ₹ 3326.95 lacs).

29 Loan to subsidiary company:

(₹ in lacs)

Name of the Company	As at		Maximum balance during the year	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Motile Power Trade Pvt. Ltd.	1300	1300	1300	1300

30 Provision for taxation (including interest) estimated at ₹ 562.74 lacs for current year (upto the year ₹ 8362.97 lacs) has not been made in accounts, in view of proposed amalgamation proceedings awaiting approvals. Meanwhile Income Tax department has completed assessments for Assessment Years 2008-09 to 2012-13 wherein substantive assessment orders have been passed allowing losses pertaining to proposed amalgamation with nil liability and at the same time protective assessment orders have been made (presuming that no amalgamation had taken place) with demand of ₹ 4518.92 lacs which shall be effective if the amalgamation scheme is not sanctioned.

31 Research and Development expenditure debited to the Statement of Profit and Loss by charge to relevant heads of account amounting to ₹ 301.29 lacs (previous year ₹ 277.12 lacs).

32 Segment information as per Accounting Standard 17

A) Primary Segment reporting (By Business Segment)

The two identified segments are
i) Insulators ii) Yarn (FDY)

(₹ in lacs)

	Year ended 31.03.2015			Year ended 31.03.2014		
	Insulators	Yarn	Total	Insulators	Yarn	Total
1. Segment Revenue						
Sale	31149.89	14537.28	45687.17	29349.76	20795.49	50145.25
2. Segment Result						
Profit before Financial Expenses	3595.42	(334.32)	3261.10	3396.41	374.75	3771.16
Less: Financial Expenses	1858.94	5.67	1864.61	1150.11	9.60	1159.71
Profit before tax	1736.48	(339.99)	1396.49	2246.30	365.15	2611.45
3. Capital Employed						
Segment Assets	27190.21	10844.58	38034.79	23731.94	11564.05	35295.99
Segment liabilities	13916.03	562.15	14478.18	12461.80	941.63	13403.43
Capital Employed	13274.18	10282.43	23556.61	11270.14	10622.42	21892.56
B) Secondary segment reporting (By Geographical Segment) – The analysis of Geographical segment is based on geographical location of the customers, which is domestic and export.						
				Year ended 31.03.2015	Year ended 31.03.2014	
Revenue by Geographical market						
In India				40053.69	42156.59	
Other than India				5633.48	7988.66	
				<u>45687.17</u>	<u>50145.25</u>	
Carrying Amount of Segment Assets (Trade Receivables)						
In India				4925.05	5025.93	
Other than India				1450.37	1568.42	
				<u>6375.42</u>	<u>6594.35</u>	

33. Related party Disclosures as per Accounting Standard 18:

i) Related Party Relationships

- a) Where control exists :
Modern Terry Towels Ltd.
Modern Denim Ltd.
- b) Key Management Personnel :
Shri Sachin Ranka (Chairman & Managing Director)
Shri H.L. Sharma (Executive Director)
Shri D.B.Deshpande (Executive Director)
Shri S.D.Gupta (Chief Financial Officer)
- c) Subsidiary Company :
Motive Power Trade Pvt. Ltd.
- d) Relatives of key Management Personnel and their enterprises where transactions have taken place:
Shubham Corporate Advisory Services Pvt. Ltd.
H.S. Ranka Foundation
Smt. Meena Ranka
Smt. Smriti Ranka
Shri Shreyans Ranka

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

Types of related Parties	Description of the nature of the transactions	Name	Volume of transactions		Outstanding as on 31.03.15	Outstanding as on 31.03.14
			Year ended 31.03.15	Year ended 31.03.14		
Where Control exists	Purchase of goods	Modern Terry Towels Ltd.	1.38	1.22	-	-
		Modern Denim Ltd.	18.09	-	-	-
	Sale of goods	Modern Terry Towels Ltd.	2.40	-	-	-
		Modern Denim Ltd.	0.75	-	-	-
Loans & Advances given	Modern Terry Towels Ltd.	1298.91	470.80	4014.86	2715.95	
	Others	Modern Terry Towels Ltd. Modern Denim Ltd.	- 0.83	0.05 0.22	-	-
Key Managerial Personnel	Remuneration etc.	Shri Sachin Ranka	26.88	-	-	-
		Shri H.L. Sharma	16.93	13.70	-	-
		Shri D.B.Deshpande	53.55	46.95	-	-
		Shri R.R. Maheshwari	-	14.43	-	-
		Shri S.D.Gupta	32.74	26.25	-	-
Subsidiary Companies	Loan given	Motive Power Trade Pvt.Ltd. Gujarat Polyfils (India) Ltd.	- -	- (1280.00)	1300.00 -	1300.00 -
	Loss on assignment of its debts	Gujarat Polyfils (India) Ltd.	-	(1040.00)	-	-
Relative of key Managerial Personnel and their enterprises	Rent paid	Shubham Corporate Advisory Services Pvt.Ltd.	6.74	6.00	-	-
		Smt. Meena Ranka	2.40	2.40	-	-
		Smriti Ranka	16.18	80	-	-
	Contribution towards CSR activities	Ranka Found	25.00	-	-	-
	Remuneration	Shreyans Rank	13.87	14	-	-

STANDALONE FINANCIAL STATEMENTS

34. Earning per Share as per Accounting Standard 20 :

	Year ended 31.03.2015	Year ended 31.03.2014
i) Net profit available for equity Shareholders (₹ in lacs)	1664.05	1406.60
ii) Number of Equity Shares of ₹10/- each	21743500	21743500
iii) Basic & Diluted earning per share (₹)	7.65	6.47

35. Foreign currency exposures which are not hedged as at the Balance Sheet date

	As at 31.03.2015		As at 31.03.2014	
	Payable	Receivables	Payable	Receivables
USD	241227	1508870	278981	1680536
EURO	72639	140404	58812	208155
GBP	-	114250	-	22365

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

	Year ended 31.03.2015		Year ended 31.03.2014	
	(₹ in lacs)			
Raw Materials	1163.90		1195.50	
Components & Spare Parts	134.50		129.83	
(ii) Expenditure in foreign currency:				
Selling Commission	22.59		40.78	
Technical Consultancy	4.13		-	
Foreign Travelling Expenses	18.58		16.57	
Testing Expenses	1.82		3.45	
Others	8.56		12.07	
(iii) Earnings in foreign exchange:				
Export of goods calculated on FOB basis	5536.45		7920.61	

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

As per our report of even date attached

For and on behalf of the Board

 For **B.L. VERMA & CO.**
 Chartered Accountants
 (FRN No. 001064C)

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

 Place : Jaipur
 Date : 29th June, 2015

Sachin Ranka – Chairman & Managing Director

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

S.D. Gupta – Chief Financial Officer

Gaurav Goyal – Company Secretary

Place : Mumbai

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lacs)

Particulars	2014-2015	2013-2014
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	1396.49	2611.45
ADJUSTMENTS FOR		
- Depreciation	939.20	824.20
- Foreign Exchange	22.28	(18.46)
- Interest and Bank Charges	1864.61	1159.71
- Loss/(Profit) on Sale of Fixed Assets	13.61	(3.30)
Operating Profit before working capital changes	<u>4236.19</u>	<u>4573.60</u>
ADJUSTMENTS FOR		
- Trade and other receivables	(953.13)	873.46
- Inventories	(1795.69)	223.22
- Trade and other payable	(418.49)	881.01
Cash generation from Operations	<u>1068.88</u>	<u>6551.29</u>
Interest and bank charges paid	(1260.14)	(1159.71)
Net Cash from operating activities before exceptional items	<u>(191.26)</u>	<u>5391.58</u>
Exceptional items	-	(1040.00)
Net Cash from operating activities after exceptional items	<u>(191.26)</u>	<u>4351.58</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets (including Capital Work in Progress)	(1568.90)	(899.49)
- Sale of Fixed Assets	11.25	18.69
- Investment	285.30	(1033.91)
Net cash used in investing activities	<u>(1272.35)</u>	<u>(1914.71)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from Borrowings		
Banks	1146.19	(90.57)
Other Loan	10.14	8.86
Term Loan	-	(960.00)
Other Secured Loan	-	(1280.00)
Net Cash from financing activities	<u>1156.33</u>	<u>(2321.71)</u>
NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	<u>(307.28)</u>	<u>115.16</u>
Cash & Cash Equivalents- Opening Balance	723.09	607.93
Cash & Cash Equivalents- Closing Balance	<u>415.81</u>	<u>723.09</u>

As per our report of even date attached

For and on behalf of the Board

For **B.L. VERMA & CO.**
 Chartered Accountants
 (FRN No. 001064C)

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

Place : Jaipur
 Date : 29th June, 2015

Sachin Ranka – Chairman & Managing Director

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

S.D. Gupta – Chief Financial Officer

Gaurav Goyal – Company Secretary

Place : Mumbai

INDEPENDENT AUDITORS' REPORT

To the Members of
Modern Insulators Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Modern Insulators Limited (hereinafter referred to as "the Holding Company") and its subsidiary, comprising of the Consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss, consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as consolidated financial statements).

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the

accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in subparagraph (a) of the Other matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

- (a) *Provision for taxation (including interest) estimated at ₹ 562.74 lacs for current year (upto the year ₹ 8362.97 lacs) has not been made in accounts, in view of proposed amalgamation proceedings awaiting approvals. Meanwhile Income Tax department has completed assessments for Assessment Years 2008-09 to 2012-13 wherein substantive assessment orders have been passed allowing losses pertaining to proposed amalgamation with nil liability and at the same time protective assessment orders have been made (presuming that no amalgamation had taken place) with demand of ₹ 4518.92 lacs which shall be effective if the amalgamation scheme is not sanctioned; no appeal of the company is pending against aforesaid protective assessment orders (Note No. 30).*
- (b) *Balances of Trade Payables & Trade Receivables are subject to reconciliations/confirmations (Note No. 8.1 & 15.2).*
- (c) *The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given (Note No. 8.2).*

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in "Basis for Qualified opinion" paragraph above, and based on the consideration of report of other auditors, on the financial statements of the subsidiary noted below, the aforesaid consolidated financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of the subsidiary company whose financial statements reflect total assets of Rs 1305.11 lacs as at 31st March, 2015, total revenues of Rs 0.33 lacs and net cash flow of Rs 3.25 lacs for the year ended on that date. These financial statements have been audited by other auditors whose report has been furnished to us and our opinion is based solely on the report of such auditors.

For **B L Verma & Co**
 Chartered Accountants
 (firm Regn No. 001064C)

(B.L. Verma)
 Partner
 (Membership No. 010900)

Place : Jaipur
 Date : 29th June, 2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in lacs)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	1	2174.35	2174.35
Reserves & Surplus	2	21382.22	19718.12
		<u>23556.57</u>	<u>21892.47</u>
Minority Interest			
		0.71	0.70
Non-Current Liabilities			
Long-term borrowings	3	18.45	14.49
Deferred Tax Liability (Net)	4	1211.70	1479.26
Other long term liabilities	5	862.67	1007.77
Long term provisions	6	1051.13	904.92
		<u>3143.95</u>	<u>3406.44</u>
Current Liabilities			
Short term borrowings	7	6020.21	4874.02
Trade payables	8	2808.03	3244.74
Other current liabilities	9	2351.12	1701.31
Short-term provisions	6	155.01	177.14
		<u>11334.37</u>	<u>9997.21</u>
	Total	<u>38035.60</u>	<u>35296.82</u>
ASSETS			
Non Current Assets			
Fixed assets			
Tangible assets	10	13800.91	13200.23
Intangible assets	10	16.94	32.31
Capital work-in-progress		218.67	199.14
		<u>14036.52</u>	<u>13431.68</u>
Non current investments	11	112.81	112.81
Long term loans and advances	12	4736.12	3476.33
		<u>18885.45</u>	<u>17020.82</u>
Current assets			
Current investments	13	1584.78	1870.08
Inventories	14	9184.28	7388.59
Trade receivables	15	6375.42	6594.35
Cash and bank balances	16	419.46	727.04
Short term loans and advances	12	1475.23	1544.62
Other current assets	17	110.98	151.32
		<u>19150.15</u>	<u>18276.00</u>
	Total	<u>38035.60</u>	<u>35296.82</u>

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

25 to 38

As per our report of even date attached

For and on behalf of the Board

For **B.L. VERMA & CO.**Chartered Accountants
(FRN No. 001064C)**(B.L. VERMA)**Partner
(Membership No. 10900)

Place : Jaipur

Date : 29th June, 2015

Sachin Ranka – Chairman & Managing Director

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

S.D. Gupta – Chief Financial Officer

Gaurav Goyal – Company Secretary

Place : Mumbai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lacs)

Particulars	Note No.	Year ended 31.03.2015	Year ended 31.03.2014
INCOME:			
Revenue from Operations	18	41792.90	45932.50
Other Income	19	552.28	457.62
Total Revenue		42345.18	46390.12
EXPENSES:			
Cost of materials consumed	20	16447.96	21569.93
Changes in inventories of finished goods & stock in Process	21	(806.33)	76.52
Employee benefits expense	22	4001.01	3517.28
Finance cost	23	1864.66	1159.71
Depreciation and amortization expense	10	939.20	824.20
Other expenses	24	18502.10	16630.99
Total Expenses		40948.60	43778.63
Profit before exceptional items & tax		1396.58	2611.49
Exceptional items		-	1040.00
Profit before tax		1396.58	1571.49
Tax Expense:			
Current tax		0.03	0.01
Deferred tax		(267.56)	164.85
		(276.53)	164.86
Share of (Profit) transferred to Minority Interest		(0.01)	-
Profit for the year		1664.10	1406.63
Earning per equity share (₹)			
Basic & Diluted	34	7.65	6.47
Significant Accounting Policies			
Other Notes on Financial Statement	25 to 38		

As per our report of even date attached

For and on behalf of the Board

For **B.L. VERMA & CO.**
Chartered Accountants
(FRN No. 001064C)

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

Place : Jaipur
Date : 29th June, 2015

Sachin Ranka – Chairman & Managing Director

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

S.D. Gupta – Chief Financial Officer

Gaurav Goyal – Company Secretary

Place : Mumbai

SIGNIFICANT ACCOUNTING POLICIES

- i) Basis of preparation of financial statements**
- The financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting principles in India, the applicable accounting standards and as per relevant provisions of the Companies Act, 2013.
 - Income & expenditure are recognised and accounted for on accrual basis.
- ii) Use of Estimates**
- The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.
- iii) Fixed Assets**
- Fixed Assets are stated at cost less depreciation.
 - Direct expenses as well as clearly identifiable indirect expenses, incurred on project during the period of construction are capitalised to the respective assets.
 - CENVAT credit and other recoverable taxes on capital goods are accounted for by reducing the cost of capital goods.
- iv) Depreciation**
- Depreciation on fixed assets is provided as follows:
- Depreciation on fixed assets is provided on straight line method over the estimated useful life of the assets.
 - Effective from 1st April, 2014 the company depreciates its fixed assets over the useful life in the manner prescribed in schedule II of the Act, as against the earlier practice of depreciating at the rates prescribed in schedule XIV of the Companies Act, 1956.
 - No amount has been written off from leasehold land. The same will be charged to the Profit & Loss Account only in the year in which the respective lease period expires.
- v) Investments**
- Long Term Investments are stated at cost. Provision for diminution in the value of Long term Investments is made only if such decline is other than temporary.
- vi) Inventories**
- Raw materials, Stores & spares and stock in process are valued at cost.
 - Finished Stock is valued at lower of cost or estimated net realisable value.
 - Waste is valued at estimated net realisable value.
- Cost of raw materials & stores is computed on weighted average basis. Finished goods and stock in process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The net realisable value of leftover stock out of the products manufactured as per customers' specifications are estimated at nominal value.
- vii) Revenue Recognition**
- Sale of goods is recognised on the basis of despatch. Sales is shown inclusive of excise duty.
 - Claims of customers & others are accounted for as and when settled.
- viii) Excise Duty/Cenvat**
- Excise duty is accounted for on the basis of payments made in respect of goods cleared and provision made for goods lying in bonded warehouse.
- (b) The Cenvat credit in respect of excise duty is utilised for payment of excise duty on goods despatched. The unutilised Cenvat credit is carried forward in the books.**
- ix) Borrowing cost**
- Borrowing costs which are attributable to acquisition or construction of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is one which necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
- x) Employee Benefits:**
- Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
 - Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.
- xi) Foreign Currency Transactions**
- Transactions in foreign currency are recorded on the basis of exchange rates prevailing on the date of their occurrence. Foreign currency assets and liabilities are converted into rupee equivalent at the exchange rates prevailing on the Balance Sheet date and exchange difference arising therefrom is charged to the revenue.
- xii) Prior year adjustments**
- Income and expenditure pertaining to prior period are accounted for under respective heads of accounts in profit and loss account. Effect of such amount is disclosed in notes.
- xiii) Research and Development**
- Revenue expenditure on Research and Development is charged as expenses in the year in which they are incurred. Capital expenditure is included in Fixed Assets and depreciation is provided at the respective applicable rates.
- xiv) Liability for import duty, if any, on export obligation yet to be completed under EPCG Scheme is accounted for on expiry of obligation period / extension thereof.**
- xv) Taxation**
- Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
- xvi) Impairment of Assets**
- An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to statement of profit & loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimates of recoverable amount.
- xvii) Provisions, Contingent Liabilities and Contingent Assets**
- Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes to the accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.
- xviii) Accounting policies not specifically referred to otherwise, are consistent with generally accepted accounting principles.**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

1. SHARE CAPITAL		(₹ in lacs)			
		As at 31.03.2015		As at 31.03.2014	
AUTHORISED					
2,50,00,000 (Previous Year 2,50,00,000) Equity shares of ₹ 10/- each		2500.00		2500.00	
5,00,000 (Previous Year 5,00,000) Preference shares of ₹ 100/- each		500.00		500.00	
		<u>3000.00</u>		<u>3000.00</u>	
ISSUED, SUBSCRIBED AND PAID-UP					
2,17,43,500 (Previous Year 217,43,500) Equity shares of ₹10/- each fully paid-up		2174.35		2174.35	
1.1 The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.					
1.2 Details of shareholders holding more than 5% of the total number of shares					
Name of the Share holder	As at 31.03.2015		As at 31.03.2014		
	No. of Shares	% Holding	No. of Shares	% Holding	
Ajaymeru Trading & Investments Pvt.Ltd	6527615	30.02	5656915	26.02	
Pride Mercantiles Pvt.Ltd	5342101	24.57	4496301	20.68	
1.3 Reconciliation of Number of Shares					
Equity shares at the beginning of the year		21743500		21743500	
Equity shares at the end of the year		<u>21743500</u>		<u>21743500</u>	
2. RESERVES AND SURPLUS		(₹ in lacs)			
		As at 31.03.2015		As at 31.03.2014	
Capital Reserve					
As per last balance sheet		25.00		25.00	
Debentures Redemption Reserve					
As per last balance sheet		-		320.00	
Less: Transferred to Statement of Profit & Loss		-		320.00	
		-		-	
Statement of Profit & Loss					
As per last balance sheet		19693.12		17966.49	
Add: Profit for the year		1664.10		1406.63	
Add: Transferred from Debenture Redemption Reserve		-		320.00	
Surplus in the Statement of Profit & Loss		<u>21357.22</u>		<u>19693.12</u>	
Total		<u>21382.22</u>		<u>19718.12</u>	
3. LONG TERM BORROWINGS		(₹ in lacs)			
		As at 31.03.2015		As at 31.03.2014	
		Non current	Current	Non current	Current
Secured					
Term loans from bank					
		18.45	12.81	14.49	6.63
		<u>18.45</u>	<u>12.81*</u>	<u>14.49</u>	<u>6.63*</u>
*Considered in other current liabilities (Note No.9).					
3.1 Term loans are secured against hypothecation of the specific vehicles.					
3.2 Term loans are repayable as per various payment schedules. Last instalment due in February-2018. Rate of Interest 10.65% p.a. (Previous year 10.65% p.a.).					
4. DEFERRED TAX LIABILITY (NET)		(₹ in lacs)			
		As at 31.03.2015		As at 31.03.2014	
a) Deferred Tax Liability					
Depreciation		2103.48		2196.48	
b) Deferred Tax Asset					
Provisions allowable for Tax purpose on payment basis		871.83		682.21	
Others (Provision for doubtful debts)		19.95		35.01	
		<u>891.78</u>		<u>717.22</u>	
Net Deferred Tax Liability		<u>1211.70</u>		<u>1479.26</u>	
5. OTHER LONG TERM LIABILITIES		(₹ in lacs)			
		As at 31.03.2015		As at 31.03.2014	
Entry tax payable		560.48		1007.77	
Interest on Entry tax Payable		302.19		-	
Total		<u>862.67</u>		<u>1007.77</u>	
6. PROVISIONS		(₹ in lacs)			
		As at 31.03.2015		As at 31.03.2014	
		Long term	Short term	Long term	Short term
Provisions for employee benefits					
For Gratuity		874.10	64.08	749.81	55.18
For unavailed leaves		177.03	45.13	155.11	39.21
		<u>1051.13</u>	<u>109.21</u>	904.92	94.39
Other provisions					
For excise duty on closing finished stock		-		82.75	
Total		<u>1051.13</u>	<u>155.01</u>	<u>904.92</u>	<u>177.14</u>

7. SHORT TERM BORROWINGS

(₹ in lacs)

	As at 31.03.2015	As at 31.03.2014
Secured		
Bank borrowings for working capital	<u>6020.21</u>	<u>4874.02</u>
7.1 Borrowings for working capital are secured by hypothecation of stocks, book debts and first charge on fixed assets of Insulator Division and are personally guaranteed by one of the directors.		

8. TRADE PAYABLE

(₹ in lacs)

	As at 31.03.2015	As at 31.03.2014
Trade payable	<u>2808.03</u>	<u>3244.74</u>
8.1 Balances of trade payables are subject to reconciliations/confirmations.		
8.2 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.		

9. OTHER CURRENT LIABILITIES

(₹ in lacs)

	As at 31.03.2015	As at 31.03.2014
Current maturities of long term borrowings (Refer note No.3)	12.81	6.63
Entry Tax Payable	599.05	-
Statutory dues	61.62	106.31
Payable towards capital goods	120.50	98.91
Advance received from customers	242.29	280.56
Sundry deposits	104.62	100.64
Other payable*	1210.23	1108.26
Total	<u>2351.12</u>	<u>1701.31</u>

* Includes employees dues, interest on entry tax and liabilities for expenses etc.

10. FIXED ASSETS

(₹ in lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2014	ADDITIONS	DEDUCTION	AS AT 31.03.2015	AS AT 01.04.2014	FOR THE YEAR	DEDUCTIONS	AS AT 31.03.2015	AS AT 31.03.2015	AS AT 31.03.2014
I. TANGIBLE ASSETS										
Land	1042.18	3.00	-	1045.18	-	-	-	-	1045.18	1042.18
Building	3662.30	310.71	-	3973.01	1064.81	240.82	-	1305.63	2667.38	2595.76
Plant & Machinery	18041.54	1174.86	26.03	19190.37	8797.66	608.45	7.93	9398.18	9792.19	9245.61
Furniture & Fixtures	225.50	34.94	4.11	256.33	130.62	21.75	1.59	150.78	105.55	94.88
Office Equipments	185.47	10.55	4.10	191.92	139.43	26.19	3.90	161.72	30.20	46.04
Vehicles	236.02	15.31	8.70	242.63	60.26	26.62	4.66	82.22	160.41	175.76
Total	23393.01	1549.37	42.94	24899.44	10192.78	923.83	18.08	11098.53	13800.91	13200.23
II. INTANGIBLE ASSETS										
Computer Software	89.61	-	-	89.61	57.30	15.37	0.00	72.67	16.94	32.31
TOTAL	23482.62	1549.37	42.94	24989.05	10250.08	939.20	18.08	11171.20	13817.85	13232.54
PREVIOUS YEAR	22638.05	886.77	42.20	23482.62	9452.69	824.20	26.81	10250.08	13232.54	-

(a) In accordance with the provisions of schedule II of the Companies Act 2013, due to change in estimated useful life of the assets, depreciation charged to the Statement of Profit & Loss is lower by ₹ 10.67 lacs as compared to depreciation as per schedule XIV of Companies Act 1956.

(b) In accordance with the provisions of schedule II of the Companies Act 2013, in case of fixed assets which have completed their useful life as at 1st April 2014, the carrying value (net of residual value) amounting to ₹ 39.56 lacs as per transitional provisions, has been recognised in statement of Profit and Loss.

11. NON CURRENT INVESTMENTS

(₹ in lacs)

	As at 31.03.2015	As at 31.03.2014
LONG TERM INVESTMENTS (AT COST)		
Trade Investments(Unquoted)		
a. Investment in Govt. securities		
National Saving Certificates (Deposited with Govt. department)	0.01	0.01

	As at 31.03.2015	As at 31.03.2014
b. Investment in shares of other company		
VS Lignite Power Pvt. Ltd.*		
385186 Class 'A' - Equity shares of ₹ 10/- each, fully paid up;	38.52	38.52
(Previous year 385186 Class 'A' - Equity shares of ₹ 10/- each, fully paid up)		
742814 Class 'A' - 0.01% Cumulative & Redeemable		
Preference shares of ₹ 10/- each, fully paid up;	74.28	74.28
(Previous year 742814 Class 'A' - 0.01% Cumulative & Redeemable		
Preference shares of ₹ 10/- each, fully paid up)		
*Lying with said company under lien.		
Total	112.81	112.81

	As at 31.03.2015		As at 31.03.2014	
	Long term	Short term	Long term	Short term
12. LOANS AND ADVANCES	(₹ in lacs)			
Loans and advances to related party (Refer Note No.28)	4014.86	-	2715.95	-
Capital advances	285.05	-	358.04	-
Income Tax advance	-	456.01	-	456.01
Tax deducted at Source	-	270.05	-	237.78
Balance with government Authorities	-	166.40	-	207.86
Prepaid expenses	-	55.78	-	69.76
Loans to employees	-	62.17	-	57.22
Advance to suppliers	-	300.11	-	348.47
Deposits	436.21	146.65	402.34	150.87
Others	-	18.06	-	16.65
Total	4736.12	1475.23	3476.33	1544.62

	As at 31.03.2015		As at 31.03.2014	
13. CURRENT INVESTMENTS	(₹ in lacs)			
Non-trade Investments (Quoted)				
a. HDFC Cash Management Fund	-			313.20
Nil (Previous Year 3124170.877 Units)				
b. Birla Sun Life Dynamic Bond Fund - Retail- Quarterly	-			166.13
Dividend - Regular Plan - Reinvestment				
Nil (Previous Year 1438553.511 Units)				
c. HDFC Gilt Fund LTP Growth	-			150.00
Nil (Previous Year 649696.592 Units)				
d. Birla Sun Life Floating Rate Long Term Growth		1584.78		1240.75
961636.171 Units (Previous Year 829011.178 Units)				
Total		1584.78		1870.08
13.1 - Market Value of Investment ₹ 1611.28 Lacs (Previous Year ₹ 1893.67 Lacs)				

	As at 31.03.2015		As at 31.03.2014	
14. INVENTORIES	(₹ in lacs)			
Raw Materials (In Transit ₹ 52.77 lacs; Previous Year ₹ 164.01 lacs)	2210.98			1333.29
Stocks in process	2717.77			2418.77
Finished stock	2302.55			1795.22
Stores & spares (In Transit ₹ 33.93 lacs; Previous Year ₹ 49.26 lacs)	651.83			540.16
Debt. Securities	1301.15			1301.15
Total	9184.28			7388.59

	As at 31.03.2015		As at 31.03.2014	
15. TRADE RECEIVABLES	(₹ in lacs)			
Trade Receivables (Unsecured)				
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	830.40			700.23
Considered doubtful	58.69			103.00
	889.09			803.23
Less : Provision for doubtful debts	58.69			103.00
	830.40			700.23
Others (Considered Good)	5545.02			5894.12
Total	6375.42			6594.35
15.1 Includes ₹ 1.30 lacs (Previous year ₹ 1.30 lacs) under litigation for which adequate provision has been made.				
15.2 Balances of trade receivables are subject to reconciliations/confirmations.				

	As at 31.03.2015		As at 31.03.2014	
16. CASH AND BANK BALANCES	(₹ in lacs)			
Cash and Cash equivalents				
Cash on Hand	5.57			2.64
Balances with Banks	204.10			530.09
Other Bank Balances				
Fixed Deposit with banks	209.79			194.31
Total	419.46			727.04

16.1 Fixed deposits with banks include deposits of ₹ 34.76 lacs (Previous year ₹ 21.12 lacs) with original maturity of more than 12 months.

16.2 Fixed deposits with banks against margin ₹ 191.24 lacs (Previous year ₹ 177.87 lacs) are held to secure the company's non-fund based limits availed from the banks.

17. OTHER CURRENT ASSETS		(₹ in lacs)	
	As at 31.03.2015	As at 31.03.2014	
Export benefits & insurance claims receivable	65.18	99.28	
Accrued interest	45.80	52.04	
Total	110.98	151.32	
18. REVENUE FROM OPERATIONS		(₹ in lacs)	
	Year ended 31.03.2015	Year ended 31.03.2014	
Sale of Products	45687.17	50145.25	
Other operating revenues			
Export Incentives	111.29	189.56	
	45798.46	50334.81	
Less : Excise duty	4005.56	4402.31	
Total	41792.90	45932.50	
18.1 : Particulars of sale of products			
Insulators & Metal fittings	31149.89	29349.76	
Yarn & Waste	14537.28	20795.49	
Total	45687.17	50145.25	
19. OTHER INCOME		(₹ in lacs)	
	Year ended 31.03.2015	Year ended 31.03.2014	
Liabilities & sundry balances written back (net)	83.29	9.14	
Interest Income	208.28	77.20	
Foreign exchange fluctuation (net)	14.45	183.38	
Miscellaneous Income (including dividend)	246.26	187.90	
Total	552.28	457.62	
20. COST OF MATERIALS CONSUMED		(₹ in lacs)	
	Year ended 31.03.2015	Year ended 31.03.2014	
	(₹ in lacs)	(₹ in lacs)	% of consumption
Imported	1355.05	1377.63	6.39
Indigenous	15092.91	20192.30	93.61
Total	16447.96	21569.93	100.00
			(₹ in lacs)
20.1 Details of Materials Consumed	Year ended 31.03.2015	Year ended 31.03.2014	
Clays	1598.71	1549.45	
Calcined Alumina	2555.59	2462.82	
Metal Fittings	2498.60	2586.48	
Polyester Chips	8933.56	13956.78	
Spin Finish Oil	289.48	355.77	
Others	572.02	658.63	
Total	16447.96	21569.93	
21. CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS		(₹ in lacs)	
	Year ended 31.03.2015	Year ended 31.03.2014	
Inventories at the beginning of the year			
Finished goods	1795.22	2142.04	
Stock in process	2418.77	2148.47	
	4213.99	4290.51	
Less: Inventories at the end of the year			
Finished goods	2302.55	1795.22	
Stock in process	2717.77	2418.77	
	5020.32	4213.99	
Total	(806.33)	76.52	
22. EMPLOYEES BENEFITS EXPENSE		(₹ in lacs)	
	Year ended 31.03.2015	Year ended 31.03.2014	
Salaries, Gratuity, Wages, Bonus and other allowances	3627.30	3190.53	
Contribution to Provident & other Funds	321.61	282.14	
Staff & Labour Welfare	52.10	44.61	
Total	4001.01	3517.28	
22.1 Disclosure in respect of employee benefits as per Accounting Standard 15 is given below: -			
Assumptions	Year ended 31.03.2015	Year ended 31.03.2014	
- Discount rate	7.75% & 7.82%	8.50%	
- Expected rate of return on assets	-	-	
- Expected rate of future salary increase	5.25% & 5.50%	6.00%	

(₹ in lacs)

	Year ended 31.03.2015		Year ended 31.03.2014		
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded	
Change in present value of obligations					
Present value of obligations as at the beginning of the year	804.99	194.32	695.16	181.04	
Interest cost	68.37	16.46	55.62	14.48	
Current service cost	69.98	34.84	60.20	30.91	
Past service cost	-	-	-	-	
Benefits paid	(35.37)	(32.42)	(40.48)	(41.52)	
Actuarial loss on Obligations	30.21	8.97	34.49	9.41	
Present value of obligations as at the close of the year	938.18	222.17	804.99	194.32	
Change in fair value of plan assets					
Liability recognized in the Balance Sheet					
Present value of obligations as at the end of the year	938.18	222.17	804.99	194.32	
Fair value of plan assets as at the close of the year	-	-	-	-	
Funded status/difference	(938.18)	(222.17)	(804.99)	(194.32)	
Unrecognized Actuarial (Gain)/Loss	-	-	-	-	
Net Assets/(Liability) recognized in Balance Sheet	(938.18)	(222.17)	(804.99)	(194.32)	
Expenses recognized in statement of Profit and Loss					
Current service cost	69.98	34.84	60.20	30.91	
Past service cost	-	-	-	-	
Interest cost	68.37	16.46	55.62	14.48	
Expected return on plan assets	-	-	-	-	
Net Actuarial (Gain)/ Loss recognized during the year	30.21	8.97	34.49	9.41	
Total Expense recognized in statement of Profit and Loss	168.56	60.27	150.31	54.80	
Movement in liability recognised in the balance sheet					
Opening net liability	804.99	194.32	695.16	181.04	
Expenses as above	168.56	60.27	150.31	54.80	
Benefits Paid	(35.37)	(32.42)	(40.48)	(41.52)	
Actual return on plan assets	-	-	-	-	
Acquisition adjustments	-	-	-	-	
Closing net Liability	938.18	222.17	804.99	194.32	
Amounts for the current and previous four periods are as follows:					
Present Value of Obligation - Gratuity	31.03.2015 (12 months)	31.03.2014 (12 months)	31.03.2013 (12 months)	31.03.2012 (12 months)	31.03.2011 (18 months)
Defined Benefit Obligation	938.18	804.99	695.16	583.76	500.32
Plan Assets	-	-	-	-	-
Unrecognised past service Cost	-	-	-	-	-
Deficit	(938.18)	(804.99)	(695.16)	(583.76)	(500.32)
Experience adjustments on plan liabilities	(31.63)	(33.84)	(43.27)	(27.99)	27.97
Experience adjustments on plan assets	-	-	-	-	-
The above disclosures are based on information certified by the independent actuary.					

23. FINANCE COST

(₹ in lacs)

	Year ended 31.03.2015	Year ended 31.03.2014
Interest Expenses	1683.82	969.04
Other Borrowing Cost	180.84	190.67
Total	1864.66	1159.71

23.1 Interest includes ₹ 604.47 lacs (₹ 452.74 lacs relates to earlier years) towards interest on entry tax in view of order dated 27.02.2015 of Hon'ble Supreme Court of India.

24. OTHER EXPENSES

(₹ in lacs)

	Year ended 31.03.2015	Year ended 31.03.2014
MANUFACTURING EXPENSES		
Power & Fuel	9722.06	8184.13
Stores & Spares Consumption	3240.58	2729.40
Packing	2252.55	2209.67
Job Charges	489.49	398.57
Excise duty on increase/decrease in Finished Stock	(36.95)	(26.67)
Repairs & Maintenance:		
Plant & Machinery	658.11	669.56
Buildings	538.72	464.95
Others	29.76	21.67
Other expenses	315.49	261.92
	17209.81	14913.20
ADMINISTRATIVE EXPENSES		
Rent	51.05	30.63
Insurance (Net)	26.26	26.85
Rates & Taxes	15.60	8.90
Travelling & Conveyance	171.90	144.82

(₹ in lacs)

	Year ended 31.03.2015		Year ended 31.03.2014
Legal & Professional Expenses	96.72		65.67
Telecommunication Expenses	13.87		11.11
Directors fees and Expenses	0.37		0.31
Expenditure towards Corporate Social Responsibility(CSR)activities	39.52		-
Payment to Auditors			
for Audit fee	2.17		1.87
for Tax Audit fee	0.70		0.60
for Expenses	2.21		2.24
Other expenses	278.24		250.73
	<u>698.61</u>		<u>543.73</u>
SELLING EXPENSES			
Commission,rebates etc	128.90		433.66
Carriage outward(Net)	298.84		454.39
Bad debts written off	75.40	174.16	
Less:Provision for doubtful debts	<u>44.31</u>	<u>56.71</u>	117.45
Sales Promotion & Advertisement	24.32		27.83
Insulators testing charges	74.46		124.85
Other expenses	22.41		19.13
	<u>580.02</u>		<u>1177.31</u>
OTHER EXPENSES			
Lease rent on land	0.05		0.05
Loss /(Profit) on sale of Fixed Assets(net)	13.61		(3.30)
	<u>13.66</u>		<u>(3.25)</u>
Total	<u>18502.10</u>		<u>16630.99</u>

	Year ended 31.03.2015		Year ended 31.03.2014	
	₹ in lacs	(%)	₹ in lacs	(%)
24.1 Value of stores,spare parts and components consumed:				
Imported	43.63	1.35	39.87	1.46
Indigenous	3196.95	98.65	2689.53	98.54
Total	<u>3240.58</u>	<u>100.00</u>	<u>2729.40</u>	<u>100.00</u>

25. CONTINGENT LIABILITIES NOT PROVIDED FOR

(₹ in lacs)

	As at 31.03.2015	As at 31.03.2014
i) Guarantees given by bankers on behalf of the Company	1687.42	2216.26
ii) Outstanding Letters of Credit	68.82	104.69
iii) Disputed liabilities, not acknowledged as debts	137.88	195.12
iv) Disputed Income Tax demand	7.50	7.50
Deposited under protest ₹ 7.50 lacs(Previous Year ₹ 7.50 lacs)		
v) Disputed Land Tax demand	15.70	15.70
Deposited under protest ₹ 15.70 lacs(Previous Year ₹ 15.70 lacs)		
vi) Disputed Excise duty /Service Tax demands	270.08	217.57
Deposited under protest ₹ 20.28 lacs(Previous Year ₹ 20.28 lacs)		
vii) Disputed Sales Tax demand	15.48	448.59
Deposited under protest ₹ Nil (Previous Year ₹ 85.57 lacs)		
viii) Interest on disputed Entry Tax	-	403.78

26. COMMITMENTS

(₹ in lacs)

	As at 31.03.2015	As at 31.03.2014
Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)	2419.46	2851.32

27 Profit for the year has been arrived at after adjusting prior year debits ₹ 491.43 lacs (Previous year ₹ 7.07 lacs) and prior year credits ₹ Nil (Previous year ₹ 2.09 lacs). Expenses/Income arisen/settled during the year have been charged to revenue.

28 Long term loans and advances include interest free loan of ₹ 4014.86 lacs (Previous year ₹ 2715.95 lacs) paid to a company covered under section 189 of Companies Act 2013 in view of proposed amalgamation, awaiting approvals (Maximum amount due at any time during the year ₹ 4014.86 lacs; previous year ₹ 3326.95 lacs).

29 Loan to subsidiary company :

(₹ in lacs)

Name of the Company	As at	As at	Maximum balance during the year	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Motile Power Trade Pvt. Ltd.	1300	1300	1300	1300

30 Provision for taxation (including interest) estimated at ₹ 562.74 lacs for current year (upto the year ₹ 8362.97 lacs) has not been made in accounts, in view of proposed amalgamation proceedings awaiting approvals. Meanwhile Income Tax department has completed assessments for Assessment Years 2008-09 to 2012-13 wherein substantive assessment orders have been passed allowing losses pertaining to proposed amalgamation with nil liability and at the same time protective assessment orders have been made (presuming that no amalgamation had taken place) with demand of ₹ 4518.92 lacs which shall be effective if the amalgamation scheme is not sanctioned.

31 Research and Development expenditure debited to the Statement of Profit and Loss by charge to relevant heads of account amounting to ₹ 301.29 lacs (previous year ₹ 277.12 lacs).

32 Segment information as per Accounting Standard 17

A) Primary Segment reporting (By Business Segment)

The two identified segments are
i) Insulators ii) Yarn (FDY)

(₹ in lacs)

	Year ended 31.03.2015			Year ended 31.03.2014		
	Insulators	Yarn	Total	Insulators	Yarn	Total
1. Segment Revenue						
Sale	31149.89	14537.28	45687.17	29349.76	20795.49	50145.25
2. Segment Result						
Profit before Financial Expenses	3595.56	(334.32)	3261.24	3396.45	374.75	3771.20
Less: Financial Expenses	1858.99	5.67	1864.66	1150.11	9.60	1159.71
Profit before tax	1736.57	(339.99)	1396.58	2246.34	365.15	2611.49
3. Capital Employed						
Segment Assets	27190.21	10845.39	38035.60	23732.77	11564.05	35296.82
Segment liabilities	13916.03	562.29	14478.32	12462.02	941.63	13403.65
Capital Employed	13274.18	10283.10	23557.28	11270.75	10622.42	21893.17

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

	Year ended 31.03.2015	Year ended 31.03.2014
Revenue by Geographical market		
In India	40053.69	42156.59
Other than India	5633.48	7988.66
	45687.17	50145.25
Carrying Amount of Segment Assets (Trade Receivables)		
In India	4925.05	5025.93
Other than India	1450.37	1568.42
	6375.42	6594.35

33. Related party Disclosures as per Accounting Standard 18:

i) Related Party Relationships :

- Where control exists :
Modern Terry Towels Ltd.
Modern Denim Ltd.
- Key Management Personnel :
Shri Sachin Ranka (Chairman & Managing Director)
Shri H.L. Sharma (Executive Director)
Shri D.B.Deshpande (Executive Director)
Shri S.D.Gupta (Chief Financial Officer)
- Subsidiary Company :
Motile Power Trade Pvt. Ltd.
- Relatives of key Management Personnel and their enterprises where transactions have taken place:
Shubham Corporate Advisory Services Pvt. Ltd.
H.S. Ranka Foundation
Smt. Meena Ranka
Smt. Smriti Ranka
Shri Shreyans Ranka

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

Types of related Parties	Description of the nature of the transactions	Name	Volume of transactions		Outstanding as on 31.03.15	Outstanding as on 31.03.14
			Year ended 31.03.15	Year ended 31.03.14		
Where Control exists	Purchase of goods	Modern Terry Towels Ltd.	1.38	1.22	-	-
		Modern Denim Ltd.	18.09	-	-	-
	Sale of goods	Modern Terry Towels Ltd.	2.40	-	-	-
		Modern Denim Ltd.	0.75	-	-	-
Loans & Advances given	Modern Terry Towels Ltd.	1298.91	470.80	4014.86	2715.95	
Others	Modern Terry Towels Ltd.	-	0.05	-	-	
	Modern Denim Ltd.	0.83	0.22	-	-	
Key Managerial Personnel	Remuneration etc.	Shri Sachin Ranka	26.88	-	-	-
		Shri H.L. Sharma	16.93	13.70	-	-
		Shri D.B.Deshpande	53.55	46.95	-	-
		Shri R.R. Maheshwari	-	14.43	-	-
		Shri S.D.Gupta	32.74	26.25	-	-
Subsidiary Companies	Loan given	Motile Power Trade Pvt.Ltd.	-	-	1300.00	1300.00
	Loss on assignment of its debts	Gujarat Polyfils (India) Ltd.	-	(1280.00)	-	-
Relative of key Managerial Personnel and their enterprises	Rent paid	Shubham Corporate Advisory Services Pvt.Ltd.	6.74	6.00	-	-
		Smt. Meena Ranka	2.40	2.40	-	-
	Contribution towards CSR activities	Smriti Ranka	16.18	80	-	-
		Ranka Found	25.00	-	-	-
Remuneration	Shreyans Ranka	13.87	14	-	-	

34. Earning per Share as per Accounting Standard 20 :

	Year ended 31.03.2015	Year ended 31.03.2014
i) Net profit available for equity Shareholders (₹ in lacs)	1664.05	1406.60
ii) Number of Equity Shares of ₹10/- each	21743500	21743500
iii) Basic & Diluted earning per share (₹)	7.65	6.47

35. Foreign currency exposures which are not hedged as at the Balance Sheet date

	As at 31.03.2015		As at 31.03.2014	
	Payable	Receivables	Payable	Receivables
USD	241227	1508870	278981	1680536
EURO	72639	140404	58812	208155
GBP	-	114250	-	22365

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

	(₹ in lacs)	
	Year ended 31.03.2015	Year ended 31.03.2014
Raw Materials	1163.90	1195.50
Components & Spare Parts	134.50	129.83
(ii) Expenditure in foreign currency:		
Selling Commission	22.59	40.78
Technical Consultancy	4.13	-
Foreign Travelling Expenses	18.58	16.57
Testing Expenses	1.82	3.45
Others	8.56	12.07
(iii) Earnings in foreign exchange:		
Export of goods calculated on FOB basis	5536.45	7920.61

37. General Information:
A. The Consolidated Financial Statements present the Consolidated Accounts with its following subsidiary company:

Name	Country of Incorporation	Proportion of Ownership of Interest	
		As on 31.03.2015	As on 31.03.2014
(a) Subsidiary			
Indian Subsidiary			
Motile Power Trade Pvt. Ltd.	India	86%	86%

(b) Disclosures mandated by Schedule III of Companies Act, 2013, by way of additional information

Name of Entities	Net Assets i.e. total assets minus total liabilities		Share in profit/(loss)	
	As a % of Consolidated net assets	Amount (₹ in lacs)	As a % of consolidated profit	Amount (₹ in lacs)
Parent:				
Modern Insulators Limited	105.84%	23556.61	99.997%	1664.05
Subsidiary:				
Indian				
Motile Power Trade Pvt. Ltd.	0.02%	1304.97	0.004%	0.06
Sub total	105.86%	24861.58	100.001%	1664.11
Inter Company elimination	(5.86)	(1304.30)	(0.001)	0.01
Grand Total	100%	23557.28	100%	1664.10
Minority Interest		0.71		

B. Significant Accounting policies on Consolidated Accounts:

- (i) Basis of preparation of consolidated financial statements:
These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India, including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.
- (ii) The financial statements of the company and its subsidiary company are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income etc, after fully eliminating inter-company transactions in accordance with Accounting Standard.
- (iii) Investments other than in subsidiary has been accounted for as per accounting standard (AS) - 13 on "Accounting for Investments".
- (iv) Other significant Accounting Policies:
These are set out under "significant Accounting Policies as given in the company's standalone financial statements.

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

As per our report of even date attached

For and on behalf of the Board

For **B.L. VERMA & CO.**
Chartered Accountants
(FRN No. 001064C)

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

Place : Jaipur
Date : 29th June, 2015

Sachin Ranka – Chairman & Managing Director

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

S.D. Gupta – Chief Financial Officer

Gaurav Goyal – Company Secretary

Place : Mumbai

FORM NO. AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A": SUBSIDIARIES**

1. Name of the Subsidiary	Motile Power Trade Pvt. Ltd.
2. Reporting period for the subsidiary concerned, if different from the Holding Company's Reporting Period	March 31, 2015
3. Reporting Currency and Exchange Rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries.	INR
4. Share Capital	5 Lacs
5. Reserves & Surplus	(0.02)
6. Total Assets	1305
7. Total Liabilities	1305
8. Investments	-
9. Turnover	-
10. Profit before Taxation	0.10
11. Provision for Taxation	0.03
12. Profit after Taxation	0.07
13. Proposed Dividend	-
14. % of Shareholding	86

Part "B": ASSOCIATES AND JOINT VENTURES

The Company does not have any Associates and Joint Ventures during the year under review.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lacs)

Particulars	2014-2015	2013-2014
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	1396.58	2611.49
ADJUSTMENTS FOR		
- Depreciation	939.20	824.20
- Foreign Exchange	22.28	(18.46)
- Interest and Bank Charges	1864.66	1159.71
- Loss/(Profit) on Sale of Fixed Assets	13.61	(3.30)
Operating Profit before working capital changes	4236.33	4573.64
ADJUSTMENTS FOR		
- Trade and other receivables	(953.41)	2173.43
- Inventories	(1795.69)	(1077.93)
- Trade and other payable	(418.57)	881.23
Cash generation from Operations	1068.66	6550.37
Interest and bank charges paid	(1260.19)	(1159.71)
Income Tax Paid	(0.03)	(0.01)
Net Cash from operating activities before exceptional items	(191.56)	5390.65
Exceptional items	-	(1040.00)
Net Cash from operating activities after exceptional items	(191.56)	4350.65
(B) CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets (including Capital Work in Progress)	(1568.90)	(899.49)
- Sale of Fixed Assets	11.25	18.69
- Investment	285.30	(1029.61)
Net cash used in investing activities	(1272.35)	(1910.41)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from Borrowings		
Banks	1146.19	(90.57)
Other Loan	10.14	8.86
Term Loan	-	(960.00)
Other Secured Loan	-	(1280.00)
Net Cash from financing activities	1156.33	(2321.71)
NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	(307.58)	118.53
Cash & Cash Equivalents- Opening Balance	727.04	608.51
Cash & Cash Equivalents- Closing Balance	419.46	727.04

* Includes impact of minority interest ₹ 0.58 lacs (₹ 0.70 lacs-deficit in statement of profit & loss ₹ 0.12 lacs for earlier years)

As per our report of even date attached

For and on behalf of the Board

 For **B.L. VERMA & CO.**
 Chartered Accountants
 (FRN No. 001064C)

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

 Place : Jaipur
 Date : 29th June, 2015

Sachin Ranka – Chairman & Managing Director

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

S.D. Gupta – Chief Financial Officer

Gaurav Goyal – Company Secretary

Place : Mumbai

MODERN INSULATORS LIMITED

Registered Office : A-4, Vijay Path, Tilak Nagar, Jaipur-302 004
 Phone : 0141-3240996 E-mail : modernjaipuroffice@gmail.com
 CIN : L31300RJ1982PLC002460

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)
30th Annual General Meeting-22nd September, 2015

I hereby record my presence at the THIRTIETH ANNUAL GENERAL MEETING of the Company held at Registered Office of the Company at A-4, Vijay Path, Tilak Nagar, Jaipur-302 004 on Tuesday the 22nd September, 2015 at 11:00 A.M.

Full Name of Member (IN BLOCK LETTERS)

Reg. Folio No. No. of Shares held

Full Name of Proxy (IN BLOCK LETTERS)

Member's/Proxy's Signature

NOTE : ADMISSION WILL BE STRICTLY PERMITTED FOR SHAREHOLDERS/VALID PROXY HOLDERS ONLY.



MODERN INSULATORS LIMITED

Registered Office : A-4, Vijay Path, Tilak Nagar, Jaipur-302 004
 Phone : 0141-3240996 E-mail : modernjaipuroffice@gmail.com
 CIN : L31300RJ1982PLC002460

PROXY FORM

Name of the member(s) :

Registered Address :

E-mail ID : Folio No./Client Id :

DP ID :

I/We, being the members(s) of Shares of the Modern Insulators Limited, hereby appoint.

1. Name : Address :

Email ID : Signature :, or failing him

2. Name : Address :

Email Id : Signature :, or failing him

3. Name : Address :

E mail Id : Signature :

as may/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Tuesday, the 22nd September, 2015 at 11:00 A.M. at A-4, Vijay Path, Tilak Nagar, Jaipur - 302 004 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1 2 3 4 5 6 7 8 9

Signed this day of 2015.

Signature of Shareholder :

Signature of Proxy Holder(s) :

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at A-4, Path, Tilak Nagar, Jaipur-302 004 not less than FORTY EIGHT HOURS before the commencement of the meeting.

Affix Re 1/- Revenue Stamp

**Book Post
(Printed Matter)**

If undelivered please return to :



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